First Five Year Plan
1956/57 - 1961/62

AFGHANISTAN

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1956/57 - 1961/62

A F G H A N I S T A N

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PREFACE

Rise in the standard of living and improvements in the social welfare of a people are products of strong and well-organised economic institutions. Because of failure to exploit our vast and rich natural resources and our lack of modern technology, the economy of Afghanistan is weak and the standard of living relatively low. Improvement of this situation is possible by ultilization and exploitation of the country's varied resources and increasing productivity, providing work for the people, and training a labour force. To achieve this, it is necessary to draft development projects and programmes and initiate certain activities. After scientific studies it is necessary to bring such activities and programmes within the framework of a general developmental plan and to launch them on a fixed schedule. The system of the 'guided economy', which corresponds to the economic and social needs of the country and follows an established policy, has been adopted by the Government and publicized. This system also required the preparation and launching of a developmental plan to guide the Government and private enterprise and to establish a suitable economic organization. On the basis of these requirements, therefore, a general development plan has been formulated after a series of studies and investigations which have taken into consideration the lack of statistical data and experience in planning. Without this data and experience but with the help of God Almighty this plan has been formulated. To implement this plan the various sections have been made available to relevant Government and private enterprise for necessary action. Since the economic situation is a product of the social environment, it is impossible to achieve the desired goals unless the environment is conditioned. Therefore, it is necessary that from time to time the objectives and the different policies of this plan be explained to the participating institutions so that all sections of the people may combine their efforts and cooperate for the implementation of the objectives of this plan. Everyone participating in this plan should regard its implementation as a patriotic duty and to fulfill this duty should be prepared to make any sacrifice.

In the general economic plan, the objective of which is to utilize both physical and financial resources for the purpose of increasing production and at the same time raising the standard of living, we cannot differentiate between public and private enterprise as far as the objective is concerned because private enterprise has social implications and its activities are conducted under regulations laid down by the Government. Because of the social implications of private enterprise the Government, aside from its obligation to maintain peace and order, grants it special privileges and exemptions in respect to customs duties and financial assistance. As will be seen in the different sections of the plan, the Government has done what it could to facilitate the development and progress of private enterprise, especially in the industrial sector. Because of this identify of purpose between private and Government enterprise, cooperation between them is essential. Another point to be considered for the application of the economic plan is the need for sound organisation. This requires consideration of problems in the light of existing facilities, resources and personnel. The implementation of projects and programmes included in the overall plan is to large extent dependent upon sound management and competent technical personnel. Successful execution depends upon modifications and improvements in the organization of Government and private agencies and enterprises. It is also imperative that trained, experienced, and competent personnel direct and be responsible for the operation of these agencies within the frame-work of specific regulations.

Education and training of the majority of the people with modern techniques and knowledge is necessary for the successful execution and operation of all projects. It is essential that intensive vocationel training courses for general enlightenment be instituted. Professional personnel graduates of high schools and colleges should be sent abroad for extended study. In this respect full advantage should be taken of the various fellowships and scholarships offered.

Method of Preparing the Plan

The nature of the economic development plan to be prepared depends on the economic philosophy which establishes the outlines

of the country's general policy. This plan defines our objectives, outlines the means to achieve them, and explains how the objectives can be reconciled with the means. The objective of the general economic plan for Afghanistan has been explained in the speech delivered by PM.M. Daoud on 26 Dalwe 1332 (February 5, 1954) in which he said:

> "My Government's economic policy is based on the principle that both Government and private enterprise should function for the benefit of the country and general welfare of the people. In the future, the full economic resources of the country, private and public, will function in such a manner as to provide maximum benefit to all sections of the population. Therefore, for the coordination of the country's economic activities it is necessary that the Government, which represents all sections of the population, guide and regulate such activities."

We have tried this plan in accordance with the above policy. We needed accurate statistics and technical personnel for the preparation of this plan, but since these statistics did not exist we utilised such information and statistics as were available, as far as humanly possible. Studies were made of economic conditions, availability of trained personnel, and utilization of natural resources. In the formulation of the plan both economic and political circumstances were taken into consideration, so that maximum use could be made of natural resources. In the formulation of the plan both economic and political circumstances were taken into consideration, so that maximum use could be made of natural resources. For the smooth functioning of the plan schedules for implementing projects should be established.

Summary of the Sections of the Plan

It is obvious that our needs and requirements are many due to the underdeveloped state of our economy. Every sector of the economy needs improvement and development. So that our most pressing needs may be distinguished from lower priority requirements and first priority be given to the most important projects and programmes, it is necessary that all developmental projects and programmes be brought within a general scheme according to

relative importance so that all developmental programmes of the country will be carried out in an orderly way. For this reason the different sections of the plan have been arranged in order of importance, as follows:

1. Agriculture and Irrigation

   Agriculture, because of its importance to the economy, occupies the foremost position in this plan. Afghanistan is an agricultural country with 85 % of the people deriving their livelihood from farming and pastoral activities. Moreover, all of its exports are of agricultural development; if proper attention is paid to agricultural problems, production and farm income will rise and exports will expand so that more foreign exchange will be available for economic development.

In countries which are not overpopulated, industrial development should be considered after the improvement of agriculture. Only that portion of the population not required for agriculture should be utilized in industry. Three programmes of action are included in the agricultural plan: (1) protection, (2) improvement and (3) extension of area under cultivation.

Protective measures include campaigns against animal diseases and pests. For this purpose, training of technical personnel and supply of necessary medicine are included in the plan. For the improvement of existing animal species and seed varieties through the introduction of new species and seeds, experimental farms and stations are included in the plan. To bring fertile lands under irrigation and cultivation, construction of new dams and canals are also included in the agricultural section of the plan. After completion of these dams and canals the following results are expected:

	Cost (Afghanis)	Area to be Reclaimed (jiribs)
1. H.V.A.	1,065,000,000	500,000
2. Other irrigation projects	624,000,000	759,000

With the expenditure of Afghanis 2,294,334 about 1,259,000 jiribs, the equivalent of 7 % of the present area of arable land,

will be reclaimed during the five year period. This will bring about on the one hand increased agriculture output and on the other will facilitate the settlement of the nomad population.

2. Transport and Communication

The development of transportation and roads in Afghanistan is not less important than agricultural development. Improvement of roads and transport services will contribute to the realization of other projects included in the plan. It can be stated that very little attention has been paid to the construction and maintenance of roads in the past. Completion in the period of the plan of road projects initiated since 1333 will satisfy the present needs of the country. At the end of five years about 1000 kilometers of main roads will have been improved and asphalted. Adequate funds have been allocated for the maintenance and repair of roads. Improvement of roads will result in the saving of millions of dollars through savings of gasoline, lubricants, and spare parts and reduced depreciation of cars and trucks.

The required funds have been allocated for the extension of communications facilities. In the next five years, in addition to the completion of numerous communications installations, telephones, wireless, and telegraph lines will be erected in various parts of the country. In regard to transport, 18,000 to 20,000 trucks and automobiles will be imported along with sufficient spare parts. New repair workshops will be opened in different parts of the country.

For the opening of domestic and international air transport, in addition to the construction of airports at Herat, Kabul, and Mazar, the construction of the international airport at Kandahar, which is to be completed within the period of the plan, is included.

3. Social Services

(a) Education. One of the important aims of the development plan is training of technical personnel in various fields. The economic and social development of the country depends to a large extent on the training of personnel and the enlightenment of the people. For the above mentioned reasons, education consti-

tues one of the important sections of the plan. During the five year period 90 new elementary schools, 500 village schools, 50 adult education courses, and 12 secondary schools (7th to 9th grades) will be opened in different parts of the country. Three colleges, one for engineering, one for agriculture, and one for pharmacy will be opened in the first year of the plan.

b) Public Health. Sound health influences both body and mind. A strong body and a healthy mind affect the capacity of the people for work. On the basis of available statistics, many diseases threaten the health of the people of this country. For this reason improved public services occupy a prominent position in the important projects to be undertaken. Fifty new hospitals of 10-bed capacity and X-ray services will have been established in Mazar, Kataghan, Jalalabad Southern Province, and Girishk by the end of five years. Also, new laboratories and a public health institute will provide additional information to the doctors and nurses of the country.

4. Industry and Mining.

(a) Industry. Taking the economic condition of the country into consideration, the establishment and development of industries, especially cottage industries, is important in order to increase production, raise the standard of living of the people, and create employment. Since industry has not yet made much progress in Afghanistan, the development of industry is of secondary priority, but it must be mentioned that the development of industry constitutes an important chapter in the five year plan. During the period of the plan some present projects will be completed and some new projects initiated. At the end of the five year plan there will be about 150-175,000 kw. of installed capacity, and millions of meters of cloth have been produced. As a result, substantial sums of foreign exchange will be saved. In order to exploit the petroleum reserves of the country, an organisation has been made responsible for drilling for oil, and also for the exploitation of other mineral deposits such as coal, salt, etc., and funds have been allocated. We hope that oil will be found and production of other minerals will increase.

5. Commerce

Afghanistan is an agricultural country and therefore most of ist exports are products of agricultural origin which are exchanged for necessary imports. But since trade is not yet well organised maximum benefits have not been obtained. Therefore, in the commercial plan a series of practical and constructive steps for the improvement of both foreign and domestic trade are under consideration. The foremost of these steps are improvement and standardization of major exports, such as wool, cotton, etc. by action of companies concerned, searching for foreign markets, establishment of export and import associations, and creation of organizations for internal trade. Similarly, for organizing commercial affairs and settling commercial disputes, the codification of necessary regulations and establishment of commercial courts are under consideration.

6. Money and Banking

In the banking chapter, efforts have been made so that banking transactions will on the one hand increase economic activity and on the other hand stabilize, as far as possible, the purchasing power of the Afghani. To this end, it is anticipated that the banks should extend the necessary credit facilities for the circulation of the commidities to be produced as a result of the implementation of the plan.

The industrial bank has been established with capital sufficient to permit it to extend credit to industrial undertakings so that in this way the industrial credit system of the country may be improved.

To stabilize the purchasing power of the Afghani, foreign exchange is to be allocated to meet the most urgent needs of the people of Afghanistan. All foreign exchange will gradually come under direct control by the end of the five year period. It has been proposed that the foreign exchange regulations be revised so that exchange control may operate to the greater benefit of the country. Discount of securities and valuable papers will be introduced. The banking regulations will be revised with a view to regulate banking transactions, protecting deposits of customers, encouraging savings accounts, and persuading individuals and institutions to open bank accounts.

Financing the Plan

This is the most important chapter in the plan. In it the general economic and financial factors affecting the implementation have been fixed, the time required has been worked out, and the financing of the expenditures from different sources of revenue has been arranged. The plan has been divided into the following three categories:

A. Government

1. Ordinary
2. Developmental, including agriculture and irrigation, transportation and communications, social services, and mining.

B. Municipal

Consists of projects relating to municipal development.

C. Industrial

All industrial projects, both Government and private, are included here.

The ordinary and developmental expenditures during the five years of the plan are as follows:

	Million Afghanis
1335	1,779.495
1336	1,970.279
1337	2,070.292
1338	2,162.525
1339	2,079.321

The financing of the plan is to be from the following three sources:

1. Government revenue
2. Foreign borrowing and foreign aid
3. Private capital

Government income consists of taxes, customs duties and other kinds of revenue, and the profits of the Government enterprise. The taxes and duties anticipated in the plan are the same as those levied previously, except the tax on luxuries. Thus, instead of levying new taxes, it is intended to reform and improve the system of taxation in such a way it would facilitate the development of agriculture, industry and commerce through increasing Government income. In the new system of taxation, some tax rates are to be raised, while some are to be reduced. In increasing Government income from the commercial, industrial

and monopolistic state enterprises, it is intended to lower the price of essential goods in the country and, through increased production and importation, to facilitate the supply of goods, thus satisfying people's needs. Government expenditure, whether ordinary or developmental, has been financed by taxation, external borrowing, and the income from state enterprises. The total income of the Government, however, balances the total expenditure.

The municipal developmental project is partly financed through the Government's income, as explained above, and partly through foreign and domestic loans in case municipal income is inadequate.

The development of industries and commerce in the private sector is to be financed by their own capital and through credits from domestic and foreign sources.

Foreign Exchange Financing

As far as foreign exchange is concerned, the plan will be financed from two sources: export earnings and proceeds of foreign loans and grants.

Export earnings are to be used to service Government foreign dept related to the developmental activities of the Government and private industrial enterprises already initiated, and make commercial payments. To finance new development activities of the plan foreign loans and grants will be utilized.

Total Foreign Exchange for Government and Private Projects

	Million Dollars
1335	77.451
1336	83.935
1337	98.528
1338	103.025
1339	10.918

The outlines of the five year plan have been briefly presented in the above preface. The extent to which it succeeds will depend upon organization, management, and cooperation. At present (1334) there is a department for planning in the Ministry of National Economy which includes the statistics and research

sections, but a board of supervisors should be appointed.

I - AGRICULTURAL SECTION

Objectives of the Five Year Agricultural Plan

The agricultural plan is based on the principle that equipment and knowledge should be made available to the farmers so that they can increase their output per jirib and per animal.

To increase the output per jirib and per animal the following are needed:

(1) Better species of animals and plants

(2) Execution of agricultural and animal husbandry programmes in accordance with modern scientific methods (i.e. preparation of land for sowing, method of sowing, and irrigation of crops) and also improvement of animal feeding.

(3) Protection of animals and plants from pest and diseases.

For the pratical execution of the above personnel and institutions are needed to study these problems and then make the practical results available to the farmers.

Therefore the agricultural plan is a program of research and training so that research should be carried out in agricultural problems and measures adopted for training farmers and training personnel to advise farmers so that agricultural output will be increased.

To the extent that farmers become familiar with the principles of agriculture and animal husbandry and apply these principles, output per jirib of land and per animal will increase. Similarly to the extent that the campaign against animal and plant pests and diseases is extended, the damage will be limited and the output will be correspondingly increased.

The Ministry of Agriculture has prepared its five year plan with a view to improving animal and plant species, promoting campaigns against animal and plant pests and diseases, training farmers and improving agricultural methods in order to increase the output of animal and plant products.

The following measures are contemplated:

(1) Establishment of research stations to study agriculture especially cotton, beet root, sugar cane, fruits, and sericulture and animal husbandry (karakul and Merino sheep) problems and to carry out campaigns against animals and plant pests and diseases.

(2) Establishment of technological laboratories fully equipped to study problems connected with cotton and wool (length of fibres and resistance of fibres).

(3) Establishment of a central research and training center for agricultural machinery, i.e., a center for agricultural mechanization.

(4) Establishment of a central station for animal bacteriology to diagnose diseases and prepare vaccines for campaigns. Also to open animal dispensaries in various parts of the country.

(5) In addition to the technical personnel who are trained by the agricultural high schools and colleges of agriculture, veterinary science and forestry, the Ministry of Agriculture will establish farm schools and seasonal courses on farms and in villages to train personnel.

(6) Initiation of studies on the possibilities for a forest development and exploitation.

Note: The establishment of the above research centers should make the following contributions to the development of agricultural production:

A. By means of agro technical methods an increase of 10-15 % in the production of cotton through better cultivation of the land and improved methods of sowing, irrigating, hoeing and crop rotation, but without the use of chemical fertilizers.

B. An increase of 5-10 % in the production of beet root by means of agro technical methods but without the use of chemical fertilizers.

C. An increase of 15-20 % in the production of wool, karakul, goat and sheep skins and casings as a result of campaigns against diseases such as Liver Fluke and Smallpox and the use of shearing machines and sheep dipping tanks.

Present Position of Agriculture

Afghanistan is an agricultural country and for thousands of years its people have obtaining their livelihood from agriculture and livestock. The Afghan land is generally rich for agricultural purposes and wherever water is available the farmers obtain the maximum benefit from it with their present means. Range and pasture lands are very extensive and supports millions of livestock such as sheep, cows, horses, etc. There is no doubt that the main source of income for the country will be from agriculture. Therefore, the Ministry of Agriculture should be fully equipped and ready to help and assist the farmers in their daily difficulties and agricultural problems. The greater part of these problems can be solved by research and study which, however, requires able and active people and specialists. Hence, the Ministry should have enough technicians and equipment to guide the farmers.

The chief activity of the Ministry must, therefore, be research and study of agriculture, livestock raising, pest and disease control, and training of technical personnel to promote the new principles and the methods of farming among the farmers. Moreover, the expansion of industry requires an increase in the production of raw materials for the factories. The agricultural development of Afghanistan has a wide schedule and special attention is paid to agriculture; output of crops such as cotton wool, silk, flax, oil seed and drug plants, fruits, tobacco and forest products will increase, which in turn will help to promote various industries in Afghanistan.

The General Condition of Agriculture

The present agriculture in Afghanistan is limited to the raising of livestock, especially sheep, cereals, fruits and crops such as cotton, beet root, sugar cane, oil seed and some others. The greater part of the country has a dry climate and for this reason the chief problem is the conservation and economical use of water. Plant improvement, plant protection, and the supply of fertilizers are also important and, finally, the question of export to foreign markets is also significant.
The greater part of Afghanistan has a favourable climate and the agricultural products obtained are of good quality. Special

care should be taken to protect these crops from insects and diseases by means of laboratories and technicians. Otherwise the quality of the fruits will deteriorate with resulting loss to the economy. Wheat also gives good yields in various regions but the varieties are mixed to such an extent that one seldom finds a single variety in a field and weeds are also mixed in with the wheat. Therefore, the establishment of seed multiplication centers are of the utmost importance so that the farmers may obtain pure seed.

Livestock Rising

The problem of livestock raising is of great importance and the improvement of livestock and their protection against diseases should be given more attention. In Afghanistan millions of people are obtaining their living either directly or indirectly from livestock raising, and the pastures which are found in many parts of the country provide grass to feed the animals. To safeguard the health of animals from diseases and pests the Ministry should be equipped and prepared to carry out campaigns. There should be adequate trained personnel to cope with this work and to prepare vaccines.

The next important problem is to obtain pure bred varieties of livestock. This is of great importance because the cost of supporting the pure bred animals is the same as for the mixed one but the different in their output is great.

The greater part of Afghanistan is suitable for animals raising but like cereals the livestock are mixed and pure bred animals are rarely found. If the farmers are to obtain better yields from the animals they keep, there should be pure bred animals. Therefore, the establishment of centers for cattle breeding and artificial insemination is necessary so that these centers in different regions should keep animals for the benefit of the farmers. To establish and operate these centers requires experts and trained personnel.

The next important point in this connection is range management because as a result of negligence on the part of the public, pastures are deteriorating and diminishing as dry farming invades what was previously pasture. Moreover, for certain reasons the better types of grass are gradually vanishing. The

study of grasses is very important and has a direct bearing on animal raising in the future.

Forests are one of the main resources and sources of wealth of Afghanistan and should be managed according to modern techniques. There is no doubt that unless the management of forests is brought in line with modern techniques within a short time the forests will cease to exist and already a great portion has been destroyed. Apart from the present needs we should not neglect the requirements of future generations. Forests are a national resource which should never be destroyed; ways should be sought to increase their yield. It is well known that forests have a great influence on the climate; especially in the matter of preserving water they play an important role. For the protection of forests we need guards and the Ministry should have a proper plan for the management of forests. To relieve farmers and livestock breeders from difficulties and promote development in various phases of agriculture, farmers should be trained in new methods of farming, irrigation, use of fertilizers, crop rotation, the use of simple farm machinery and implements, and in combatting plant and animal diseases, because the farmers are not at present able to perform these important activities by themselves unless they are shown how.

For the organisation and administration of all these activities institutions must be created to study these problems and then make the results available to the farmers. Today it is felt that the development of agriculture should progress paralell with other parts of society. To achieve this aim without a proper well-balanced plan is impossible. It should also be clear that agricultural improvement requires time and to obtain results we must go through the usual channel and be patient. For instance, to produce fruit we must plant at the proper time and then cultivate and irrigate and await the results. Similarly, for agricultural development we should prepare a definite plan for every year so that we may obtain results.

The important thing is that our plan should be feasible taking into consideration all local conditions, such as land, moisture, temperature, present supply of water, number of farmers, type of farm implements, etc. In addition, the agricultural plan includes programs, some of which may require many years, to produce

results. Generally, the agricultural plan has two main aspects which are to some aspects distinct but in practice cannot be separated: (1) Agricultural Policy and (2) Agricultural Techniques.

(1) Agricultural Policy. The administration and adoption of policies for the promotion of agriculture can be brought about through regulation and through legislation. The duty of the Ministry of Agriculture is first to dradt the legislation and then to see to its execution.

(a) Land ownership and land lease system. The method of land ownership and land lease reflects the social and economic condition of farmers in the country and the absence of such systems will frustate all the activities of farmers and of government. The improvement of these systems is very important for the development of agriculture. The land ownership system consists of the regulations under which land is owned and cultivated while the land lease system consists of the regulations and customs which exist between the land owner and the lease. Land ownership systems differ between countries and between regions within the country. Hence, a complete study should be made of all existing land ownership systems and on the basis of the knowledge so obtained improvements should be made.

(b) Farmers and their family activities. At present the farmer's activity in Afghanistan is only seasonal and with the exception of a part of the year the farmer is not fully employed especially in winter. Therefore it is important to find the off-season work for the farmers and their families so that they may be occupied throughout the year. This work will vary from country to country and between different regions of the same country according to circumstances. It includes a great variety of pursuits such as the preparation of mattresses from hay and cane, weaving of cloth from cotton, wool and silk, knitting of socks and pullovers, carpet weaving etc. All these activities are simple and can be carried out in homes but the income from them will raise the farmer's standard of living.

(c) Financial assistance. Financial help to the farmer for agricultural development and for supporting the farmer's economic and financial condition is very important, especially

in Afghanistan. The farmers in this country need such help and through proper credit resources they should be helped and protected. Credit should be extended at suitable times so that farmers obtain the maximum benefit. Similarly, farmers should be encouraged with premiums and rewards so that they will increase their output and the national income will expand correspondingly. The Agricultural Bank can do a lot in this respect but the encouragement of the farmers should be the concern of this Ministry and this Ministry should adopt a program designed to achieve this purpose.

(d) Agricultural education and training. In the development of agriculture education and training are of the greatest importance so that new agricultural techniques can be introduced. This can be studied from two aspects: 1. The size of the agricultural labour force which is determined by the size of the agricultural population, and 2. The effiency of the agricultural labour force which is related to per capita output.

1. An increase in the size of the agricultural labour force does not necessarily raise total output. It is an increase in efficiency that increases output.

2. The efficiency varies but generally depends on the capacity and understanding of the farmers. It can be raised through improvements in agricultur and farmer's training. Similarly, some other problems such as wages, hours of work, methods of farming, etc., have some effect on output. In addition the creation of the spirit of agricultural cooperation among farmers is necessary. This can be promoted through the following types of training:

a) Training in agricultural schools.
b) Education and training of the general public
c) Technical Training in agriculture in experimental stations and agricultural institutions.

For the creation of the spirit of agricultural cooperation in the nation, the introduction of agricultural knowledge into the school program and the opening of courses of instruction, holding conferences in military camps, and seasonal courses for farmers are all necessary steps.

(2) Agricultural techniques. Progress in agriculture is very important, both from the economic and social point of view. The present world has made much progress in agricultural techniques, but the agriculture of Afghanistan in spite of the fact that agriculture has been practised here for centuries remains the same and has not changed at all. Therefore, the plan for agricultural development has been prepared clearly and thoroughly. The introduction of agricultural techniques requires the following steps:

a) Study of agricultural conditions and natural factors of the country which must form the basis of agricultural programs.

b) Study of those natural factors of the country which are essential for the plan.

c) Technical guidance and training so that the plan should proceed successfully.

The above three points can be carried out in experimental stations to be established as follows:

a) Central research stations

c) Special seed production farms
d) Special farms for animal husbandry.

The central research station will occupy the most important position in the technical part of the agricultural plan. The principle duty of this station will be the study of the implementation of the agricultural plan. The central research station will have the following sections:

a) General agriculture and improvement crops
b) Horticulture
c) Forestry
d) Agricultural Chemistry
e) Plant protection
f) Entomology
g) Agricultural industry
h) Agricultural engineering hydraulic machines, agricultural machinery and agricultural construction
i) Animal husbandry
j) Veterinary

For the development and guidance of the farmers in accordance with their needs research farms will be established in various provinces. These farms will take action of the following kinds:

a) Studies on cotton, sugarbeet, sugarcane, silk worms, karakuls and other crops.

b) Determining the regions best suited to different crops such as cereals, fruits, cotton, karakuls etc.

c) Production of improved seed for distributing.

Study of Agricultural Conditions and Environmental Factors

This study is the most essential factor for the preparation of the agricultural plan and includes the following:

1) Land and soil studies
2) Studies of water resources for irrigation
3) Meteorological oberservations
4) Study of various wild and cultivated plants

Study of Agricultural Factors affecting the Plan

On the basis of the above information the following studies will be made for the agricultural plan:

1) Selection of improved seed, species, etc., necessary for increased agricultural output.
2) Studies of improved methods of cultivation and of improvement of agricultural implements.
3) Studies of the adaption of new plants considered in the plan, their supply and distribution to the farmers.

Guidelines for the Conduct of the Agricultural Program

When the exact agricultural program is confirmed, all resources both experimental and administrative will cooperate to carry out the following measurs:

1) Training and advising farmers
2) Obtaining better seeds and distributing them to farmers
3) Guiding farmers in the application of the program.

A thorough scientific survey of Afghanistan has not yet been made; however, on the basis of observations which have been made on conditions of altitude, climate, culture, animals and plant production, Afghanistan may be divided into the following eight regions:

(1) Hindukush

This region includes parts of Badakhshan, Kataghan, Perwan, and Eastern Province. The greater parts of this region are mountainous with different types of forests. In some parts fruit trees such as apple, pear, cherry, apricot, walnut, and even grapes can be found. Some of this region is covered with snow for four or five months. The major crop is wheat with some pulses. Land holdings are very small, so intensive cultivation is common. This region is very suitable for fruit trees. The region being mountainous, the occupation of the people is mostly goat and sheep raising. The wool obtained from these sheep is soft and very similar to Merino. Due to the poverty of the people and the lack of winter shelter for animals flocks are very small, but the extensive natural pastures covering a great portion of the region make it good for flock raising.

a) Badakhshan, desert of Aish and Shewah. Cultivation is mostly under irrigation, though in some parts there is rainfed wheat. Grain production in this region is inadequate, no grain is imported from other regions in exchange for animal products such as milk, wool, roghan, and hand woven woolen and cotton cloth.

The development of the economy of this region is one of the important social and economic problems of the country. Badakhshan is one of the most important regions of Afghanistan for opium growing and silk worm raising. Due to the naturally favourable soil condition in some parts of this region, fruits such as apples, pears, peaches, etc., grow in abundance, especially in Jurm, Barak, and near Faizabad. This makes the situation quite favourable for fruit development.

The development of dairy industries in Badakhshan should also be considered.

In addition to the above mentioned products different species of fish, especially trout, are found in abundance in the pure and clear waters flowing through this region. The development of fisheries using modern techniques is one of the important problems of the region. To improve the economic condition of the people of this region the following measures should be accepted:

1) Introduction of silk worm raising
2) Assistance and guidance for better animal husbandry and especially better use of animal products such as milk, wool, etc.
3) Creation of new fruit orchards and vineyards
4) Help and encouragement to local handicraft such as cloth weaving
5) Improvement and expansion of fisheries

(2) The Nothern Region

This includes parts of Kataghan and all of Mazar and Maimana Provinces. This region comprises a vast area and is considered the most important agricultural region of Afghanistan. The land is generally held by big land owners. Except in Qataghan Province there is a shortage of water and therefore only one-third to one-fourth of the land is cultivated in a single year. The region is thinly populated. The principle crops are wheat, barley, corn, rice, cotton, sugar beets, and oil seed plants. The soil and climate conditions are also suitable for fruit trees. In addition to crops, much livestock is kept by the people, especially sheep for meat and wool. The karakul sheep is particularly suited to this area and is one of the major sources of income of the people in this region. Due to mild winters and abundance of natural pastures horses are raised in this region in addition to sheep. Cows generally are not kept in big herds. Some parts of this region are quite suitable for water buffalo.

The cottage industries of this region include the weaving of woolen and cotton cloth, and, most important, carpet making.

To improve the agriculture of this region, provision is made in the 5 year plan for the study of water resources for irrigation including the Kunduz irrigation project.

The population is thinly distributed and to overcome this limitation the study of the introduction of agricultural machinery into this region is necessary. Improvement of dairy animals and pultry is also important and necessary for the economic development of the region. The development of silk worm raising is also included.

3) The Southern Region

This region is generally mountainous and its most important product is lumber, especially pine, which provedes wood for construction and for furniture. Unfortunately, the forests are not managed scientifically, and wood for construction is not properly cut. Therefore, the forests should be brought under control and trees should be cut on a scientific basis. Factories with modern saws and other equipment should be built. In addition to lumber, naval stores can be obtained from these forests. Therefore, arrangements should be made for obtaining turpentine and similar products.

In addition to these forests there are millions of wild olive trees. If they were grafted that would provide another source of income. At present, the Ministry of Agriculture is studying the matter and a Turkish expert has been invited to Kabul to study the olive trees in the Southern Province. The study shows that olive production is hopeful and has a bright future. In the year 1335 the Ministry of Agriculture is going to employ a Turkish expert and also buy some grafted olive trees and buds for grafting so that within five years approximately one million wild trees should be grafted.

In the Southern Province livestock raising is not important due to lack of pasture. The Ministry of Agriculture will take the necessary steps to improve agricultural conditions. Corn is the most important crop. The Ministry will try to introduce a high yielding American variety of corn to replace the low yielding local varieties.

It should be not forgotten that in Khost there is a large area which due to lack of water has remained an agricultural waste land. To bring this land under irrigation, the Machalgho dam is included in the five year plan. In the Khost area citrus trees can grow, and already there are a few citrus groves. The Ministry of Agriculture will try to extend the growing of citrus. Another project to be undertaken is the cultivation of oilseed plants which now grow wild in the foothills of Jaji and Midan. If attention is paid to these wild plants, garden chairs and tables and other furniture can be made to fetch a better price in the market and thus improve the economic condition of the people of this region. For this purpose the Ministry of

Agriculture has in mind to employ two export from India and Japan to go to the area and investigate the possibilities of better use of straw and fibres and make recommendations of the Ministry for their utilization.

4) Kabul Region

This region includes parts of Ghazni, Porwan, Hazarajad and Loghar. It is of moderate size and due to lack of water only a limited area is cultivated. The farmers of this region are good at growing cereals, fruit and vegetables. If enough water can be made available production can be doubled.

The leading crops are wheat, barley, vetch, pulses, gram, and vegetables.This is also one of the most important fruit growing areas of Afghanistan. People generally keep cows for milk. Due to inadequacy of pasture and severe winters with heavy snowfall big herds are not kept. Cloth weaving, production of baskets from willow and almond branches, drying of fruits such as grapes and plums for export and vinegar making are the cottage industries of this region. Almonds constitute an important export product of this region.

The Hazarajad is suitable for wool weaving on a cottage industry basis.

To improve the economic condition and bring more land under cultivation, construction of the Khawar and Sardar Paltoo dams and canals are to be undertaken in the five year plan. Also cottage industries and experimental farms for dairy and poultry and silk worms are included.

5) Spinghar Region

This region which consists of a part of Eastern Province, is relatively small and only a small percentage of it is under cultivation. There is considerable land which could be reclaimed and water resources are satisfactory. The area is densely populated. If water can be made available for irrigation, the area now under cultivation can be doubled. The major crops are wheat, barly, corn, sugarcane and cotton. A product adding to the importance of this region is citrus fruit. At the present time this is the main region in Afghanistan in which citrus is grown.

The forests of this area are a main source of timber for the country's need and for export. Cattle and water buffaloes are the principal animals raised but their number could be increased because the environment is favourable. Cloth and stray products are the major cottage industries and are worth considering in order to improve the economic condition of the region. Water resources are plentiful but require proper study to determine the methods to make the water available for irrigation.

Bee keeping and cotton and poppy production can be extended.

In the agricultural plan experimental farms for dairy and poultry products are to be establish in this region. Also the construction of irrigation dams and the improvement of the canals around Jalalabad are to be undertaken.

6) Koh-i-Baba- Region

This region, which covers the entire Hazarajad is small and the greater part of it is mountainous with little flat land. Winters are severe and there is snow for seven or eight months in most parts. Cereals are the chief crop. The hills are covered with grass so it is the principal grazing area of the country and in spring millions of sheep from all parts of Afghanistan are granzing here. Livestock keeping is the major occupation of the people, but due to severe winters and lack of feed and shelter for animals during the winter large herds cannot be kept. Wool weaving is common in this region. By better direction and improvement in livestock raising and better use of animal products the economic position of the people can be improved. The development of woolen cloth weaving and handicrafts is considered the main line of improvement in the agricultural development plan.

7) Herat Region

This region is relatively large and one of the most important agricultural areas of the country. The people are good farmers and hard working. Most of the land is held by big land owners. The leading crops are wheat, barley, corn and rice. In addition to cereals, considerable fruit is grown, and the best varieties of grapes there are an important export commodity.

The principal livestock raised are sheep, but the region is

also suitable for cattle and horse raising. The principal cottage industries are cotton, woolen and silk weaving. Carpet making is also an important industry of this region.

For the economic development of this region, study of water resources is to be undertaken.

The pistachio forests of this region are very important. They should be protected and looked after properly. In addition, silk worm raising with modern methods should be extended as the people of this region are already familiar with this activity. The improvement of livestock and poultry is also of prior importance.

8) Helmand Region

This region covers Kandahar Province, Girishk, Ferah and Chakhansoor. It is a large area with big land holdings. Wheat, barley and corn are the leading crops. Kandahar is also important for fruit growing. The principal livestock activity is sheep raising. As a result of the Arghandab and Kajaki dams this area is going to become one of the important agricultural regions of the country. Fruit drying is one of the important activities of this region.

Water, soil and climate conditions, and agricultural practices vary from one part of the region to another. To assist the farmers of the region to increase their output, various agricultural problems and conditions and the capabilities of the people are to be studied. Cotton planting has a good future in this region. To increase and improve milk animals and poultry, the establishment of experimental farms is a basic feature of the agricultural plan, The sheep raised in this region produce wool of good quality.

As mentioned above, the collection of information and the guidance of farmers can be conducted through the agricultural research stations. As the requirements and conditions of different regions differ and the needs of Badakhshan, for instance, are not the same as those of Jalalabad, it is necessary to establish experimental farms in the different regions, study their conditions and requirements peculiar to each region.

Due to scarcity of money, equipment and technical trained personnel it is impossible to start to work on a country-wide basis at once. Therefore, the regions should be classified according to their economic and social importance. At present the agricultural program for economic development requires the establishment of stations in the following regions:

(a) Kabul region
(b) Nothern region
(c) Eastern region (spinghar)
(d) Kandahar region (Helmand)
(e) Southern region
(f) Herat region (Hari-Rud)
(g) Hindukush
(h) Hazarajad (Koh-i-Baba)

a) Kabul region. From the economic point of view it is one of the important agricultural regions of Afghanistan. Furthermore Kabul is the center of government administration. Therefore, an experimental farm and research station should be established in Kabul in order to provide trained personnel for other centers.

b) Northern region. This is the most important part of Afghanistan for the production of karakul pelts, cotton, wool, linseed, and sesame, which are the main export commodities and account for a large percentage of foreign exchange earnings. The entire area is suitable for silk worm raising and offers a bright future for silk production. Special consideration should be given to farmers cultivating cotton, sugar beets, silk worms, and karakul sheep. In this connection special arrangements are being made to provide necessary equipment and trained personnel and experts.

c) Eastern region. This area is relatively small but it is important from the point of view of its agricultural products. Here are found most of the special importance in producing timber from the forests covering its hills and a sugar factory installed at Jalalabad will in the near future begin operation and provide cane sugar for the people of Afghanistan.

d) Kandahar region. Special arrangements have been made for this zone. The Ministry of Agriculture has selected a site at Daud for an experimental station and the preliminary work has already begun.

Programs for the other four regions will be drafted on the basis of each zone's economic importance.

The Objectives of the Agricultural Program

As mentioned above, the chief objective is to increase agricultural output and, therefore, national income. Agricultural output will be raised by taking the following steps:

1) Increasing the yield of presently cultivated land as result of improved agricultural techniques such as crop rotation and the use of fertilizers.

2) Fxtension of arable land by irrigation.

3) Introduction of new seeds and improved animal types.

4) Protection against agricultural diseases and pests.

5) Improvement of agricultural implements especially those used to prepare the land for cultivation.

Application of these mensures requires time, equipment, and especially a large number of experts and trained personnel. In order to increase the national income in the period before these agricultural stations come into operation, further efforts should be made to increase the production of exportable commodities.

The principal agricultural exports of the country are the following:

1) Karakul pelts
2) Cotton
3) Wool
4) Fruits and oil seeds

Attention should be given to proper cleaning, drying and packing of these products.

5) Medicinal herbs.

Karakul pelts. Although the area for raising karakul sheep is extensive, local conditions vary. In some localities water is inadequate, while in others it may be abundant. Similarly, one area may be deficient in food stuffs while another may have a sufficient supply.

Animal diseases are also more prevalent in some regions than in others. Therefore the requirements of the various karakul raising regions and the difficulties to be met differ. For the general improvement of karakul the following measures are to be adopted.

1) Establishment of a veterinary laboratory for diagnosing sheep diseases.
2) Training assistant veterinarians
3) Protection of sheep from diseases (preparation of vaccines)
4) Study of the supply of feed stuffs and drinking water for the karakul flocks
5) Assistance to sheep breeders and owners
6) The karakul cooperative should assist in the improvement of the breed of feed stuffs and of the general health of the flocks.

In the commerce chapter of this five year plan karakul production is forecast as follows:

first year	2.3 million pelts
second year	2.5 million pelts
third year	2.8 million pelts
fourth year	3.0 million pelts
fifth year	3.3 million pelts

Wool. The difficulties and problems affecting karakul production also apply to wool production and similar measures should be adopted. In order to improve the quality of wool and increase the output, special consideration should given to the improvement and multiplication of Merino sheep.

In the commerce chapter of this plan the following wool exports have been forecast:

first year	6,000 tons
second year	6,300 tons
third year	6,400 tons
fourth year	6,500 tons
fifth year	7,000 tons

"Abschnitt über Produktionsstärke der Baumwollindustrie:

Pul-i-Kumri
Gulbahar
Djebl-i-Seradj

Die entsprechende Textilindustrie erreicht nicht die volle Kapazitätsauslastung wegen Rohstoffmangels."
(Abschnitt war im Original unleserlich)

To prevent such a situation, the following program for the improvement of the Kundus experimental farm is forecast:

1) Establishment of a cotton research center as Kundus with branches at Imamsahib, Taloquen, Dachteraje, Balkh, etc.

2) Studies of methods of cotton cultivation such as preparation of land, application of fertilizers, and crop rotation. In addition, farmers should be made familiar with these methods.

3) Studies should be undertaken to determine the types of cotton seed best suited to each region.

4) Effective protection of cotton from diseases and pests.

5) A laboratory should be established to determine the characteristics of the different varieties of cotton, including resistance, fineness of fibre and the length.

In the commerce chapter of this plan of ginned cotton for the next five years has been projected as follows:

first year	20,000 tons
second year	25,000 tons
third year	35,000 tons
fourth year	42,000 tons
fifth year	50,000 tons

Sugar beets. Among the important agricultural products of Afghanistan sugar beets are worth mentioning because not only the present situation at Baghlan is unsatisfactory but the future is somewhat uncertain. Although the 24 hour capacity of the Baghlan plant is 800 tons and about 80-90,000 tons of beets are therefore required for a season of 100 days, the total annual production has not yet exceeded 30,000 tons. Therefore, the factory has operated during the last few years at one-fourth to one-third of its capacity and costs have been high. Although

in the last two years sugar beet production has reached 40,000 tons, this has been as a result of increased acreage rather than increased yield. The present production is inadaquate to enable the factory to operate on an economic basis.

To improve the cultivation of sugar beets the establishment of a study and experimental center provided with equipment and technical staff is necessary.

Sugar cane. The present sugar cane cultivation is confined to a limited area in the Eastern Province. However, since a cane sugar refinery at Jalalabad has been opened it is necessary that the factory should function at its full capacity and not be confronted with shortages such as the Baghlan plant has experienced. In order to make success of this valueable crop, special arrangements for increasing production, improving cultivation methods and providing protection against diseases and pests should be undertake.

Forests. The present condition of the Afghanistan forests and especially the methods of exploitation is poor. If care is not taken the forests will be endangered. Afforestation requires time and money and perhaps in some regions will not be sucessful. Therefore, to end current losses it is proposed that the government forests in the Soutern Province, known as Mandahir, should be exploited for the duration of the plan as an experimental forest with modern methods, equipment and technical personnel. A training program for foresters should be initiated to train personnel and introduce modern methods of forest exploitation to the people of the region.

Livestock, fruits and cereals. These three products are the most important in the country. Studies of these crops are included in the working program of the agricultural stations and research centers. From the time the work of these establishments commences, each station will study the conditions of its region. At present many factors are under study and information developed is applied to increasing output and protecting plants and animals from the prevailing diseases and pests. The livestock of the country such as cattle, sheep, poultry, etc., suffer from diseases which cause much loss every year to livestock and poultry owners.

During the year 1321-22 Kataghan lost 85 % of its cattle and in 1328-29 Herat sustained a similar loss.

The Rinderpest "gaw murgi", is the great menace to the cattle of Afghanistan. Also Liverfluke and Sheep Fox destroy 30 % and sometimes more of the sheep every year. In some places Newcastle Disease of poultry and chicken diarrhea kill approximately 80 % of the poultry. Plants are also threatened by fungus and pests. An insect of the Lepidoptera family, locally called jelaguk (web worm) damages 30 to 65 % of the fruit. In some years the damage is extreme, especially in Chorband and Ghazni.

Cereals are also attached by insects in certain years, and if these losses can be decreased, output will be increased correspondingly. Therefore, it is considered very important to strengthen the animal and plant protection services throughout the country.

Factors Determining the Success of the Agricultural Plan.

The success of the plan for improving agriculture depends on the interest of farmers in the program. This interest should be aroused and assisted morally and materially by the Ministry of Agriculture. It is the duty of the agricultural stations, experimental farms and responsible experts and trained personnel to guide and assist the farmers. The Agricultural and Cottage Industries Bank and other agencies interested in agriculture should give financial assistance to the farmers.
The Agricultural Bank, in its five year plan, has considered the establishment of additional agricultural cooperatives and the financial strengthening of the existing ones. Moreover, this bank, while keeping in view the general agricultural condition of the country, will import a number of tractors, harvesters, water pumps and other types of farm machinery for the development of agriculture and the increase of agricultural output. The Bank and the cooperatives will make this machinery available to the farmers. For this purpose, the Bank has allocated $ 100,000 in its five year plan.

To achieve these objectives the Ministry of Agriculture with the help of its foreign and local experts has prepared a complete detailed technical program for developing and extending agriculture.

The expenditure for the agricultural development program for the next five years has been estimated as follows:

(costs in Afghanis including dollars converted into Afghani in 1000 Afs.)

Year	1335	1336	1337	1338	1339
Total Development Budget	43,339	38,990	55,253	43,706	48,508
Already included in Ordinary Budget	2,000	2,000	2,000	2,000	2,000

The Agronomy Department Plan

The agronomy department includes sectors such as horticulture, improvement of cereals and pulses, introduction of agricultural implements and machinery, forestry, irrigation, vegetable production, floriculture, sericulture, bee keeping, agricultural construction, and guidance of farmers. This task can be accomplished by establishing stations in different parts of the country. These stations, on the one hand, will carry out research work and, on the other hand, will apply the results achieved in different fields, for the betterment of the farmers and for the increase of agricultural production of the country. Similarly, these stations will also serve as practical school in guiding and training personnel in technical agriculture. At present the following four central stations are proposed for the five year plan:

(1) Kabul Province Station. The Kabul station will also supervise the stations in the Southern and Eastern Provinces, and in the Perwan, Loghar, Hazarajad, and Ghazni districts.

(2) Kataghan Province Station. This station will help establish stations in Badakhshan, Mozar-i-Sharif, and Maimana, and will supervise them.

(3) Kandahar Province Station. This station will also supervise the Farah district station.

(4) Herat Province Station. This station will supervise all the stations within Herat Province.

The cost of the above four stations, including the foreign exchange expenditure converted into Afghanis is as follows:

Cost of the Agronomy Program in Thousand Afghanis

	1st year	2nd year	3rd year	4th year	5th year	Total
Min. of Ag. Kabul Prov.	6,243	4,904	4,940	3,051	3,051	24,189
Kataghan Province	614	617	737	627	627	3,222
Kandahar Province	567	591	670	5,144	718	7,690
Herat Province	572	840	670	694	776	3,552
	7,996	8,952	7,017	9,516	5,172	38,653

Dollar Expenditure of the Agronomy Program of the Ministry of Agriculture

(in millions of dollars)

	1st year	2nd year	3rd year	4th year	5th year	Total
Min. of Ag. Kabul Province	.125	.187	.175	.204	.187	.878
Kataghan Province	.218	.066	.096	.097	.089	.566
Kandahar Province	.373	.379	.453	4.953	.523	6.681
Herat Province	.380	.426	.449	.505	.590	2.350
	1.096	1.058	1.173	5.759	1.389	10.475

The Role of the Campaign to Protect Plants and Animal from Disease and Pests

Diseases and pests bring great loss to plants and animals and set back agricultural progress. For example, if a cow dies, we will not only loose the animal but also its product and by-products such as meat, milk, cheese, and draft power. If plants are damaged by disease or pests, their yield will drop and the national income will suffer. Every year many hundred thousands of livestock and many hundred thousand tons of food are destroyed, and the value of these losses runs into millions of Afghanis. Therefore, by combatting plant and animal diseases and pests an increase in the total production will be realized and the national income will increase.

Increased agricultural output does not contribute directly the Government revenue but helps it indirectly. However, increased animal and plant production will help farmers to increase their income and thereby raise the standard of living. For this reason necessary organizations and programs for combatting animal and plant pests and diseases have been included in the five year plan. The cost of this program during the period of the five year plan are given below:

Plant Protection Program Expenditure in Afghanis

(in thousands of Afs.)

	1335	1336	1337	1338	1339	Total
Min. of Agri.	9,815	10,100	10,159	10,677	10,876	51,617

Campaign Program Expenditure

(in millions of dollars)

1335	1336	1337	1338	1339	Total

Animal Husbandry and Veterinary

Campaigns against animal diseases, improvement of breed, and breeding of livestock of their products are some of the most important factors affecting the national income and has a direct bearing on the health of the people. In this connection the Government is establishing compaign organizations and their Expansion will have great value to the economy of the country. The organization of centers for protection against animal diseases and improvement of animal breeds are described below:

Veterinary: There are about 30 million head of cattle in Afghanistan, of which 20 % or 6 million die every year due to contagious or non-contagious diseases. These losses total millions of Afghanis annually. By proper compaigns, we can in 15 years reduce about 50 % of the present losses. Three million head of cattle valued at 300 Afs. per head means that 900 millions Afghanis could be added annually to our national wealth. Moreover, the lives of thousands of people affected by bovine diseases can be saved by such effective organizations.

Merino Sheep. In Afghanistan there are about 14 million head of sheep, of which 5 million are Ghiljais, Karaki, etc. breeds. These breeds predominate in the region between Ghazni and Herat. By proper Cross-breeding many can be changed to Merino-type sheep. This will require 15 years and in this period it is possible to produce one million Merinos, thus adding millions of Afs. to the national wealth. As our local sheep have an average yield of 10 pounds of wool the Merino will yield five and one-half pounds more wool than the present breeds. At the avarage price of 10 Afghanis per pound for wool and 48 Afs. per seer (seer - 16 pounds) this will add 60 million Afghanis for wool and 16,000 Afs. for meat.

Cow, Buffalo, Horse and Mule-Raising. Everyone knows that human beings obtain milk, meat and draft power from these animals. A country having a large number of these animals enjoys a favorable economic condition. In the five year plan the Ministry of Agriculture has established a program for the improvement and multiplication of these animals.

Poultry. Poultry is a very important factor in the economy of Afghanistan. At present most of the local breeds cannot lay more than 70 eggs per year, while most of the improved breeds of the world lay an average of 250 eggs and have a live weight of one and one-half to two times as great as the local breeds. If by well-conceived program all efforts are directed towards the improvement and multiplication of foreign types, within 15 years there will be a large number of improved poultry in the poultry. A success in this undertaking will further increase the national wealth.

The following expenditures are included in the plan to finance stations in Kabul, Ghazni, Kandahar, Ferah, Herat, Kataghan, Mazar-i-Sharif, Southern and Eastern Provinces, for the purpose of improving breeds of livestock, establishing training centers and launching campaigns against animal diseases and pests:

Animal Husbandry Program Expenditure in thousand Afghanis

	1st year	2nd year	3rd year	4th year	5th year
Min. of Agriculture	0.561	1,700	2,198	2,536	2,628

Total
9,623

Expenditure in Millions of Dollars

1st year	2nd year	3rd year	4th year	5th year	Total
.135	.116	.134	.139	.147	.671

Production Increase for Karakul, Cotton, Wool are estimated as follows:

	1335	1336	1337	1338	1339
Karakul pelts, in millions	2.3	2.5	2.8	3.0	3.3
Cotton, in tons	20,000	25,000	35,000	42,000	50,000
Wool, in tons	6,000	6,300	6,400	6,500	7,000

The Helmand Valley Development Project

Different views and theories exist about the Helmand Valley Project. Some views are based on optimism and others, due to tremendous cost involved, have the opposite view. The compromise view is that Helmand is a long-term development project which requires continuous and consistent work. The final contribution of the Helmand Project will materialize when all the related phases of development are completed.

At the present the Helmand Project is at its preliminary stage of development, and any optimistic or pessimistic view can be considered premature. However, it should be stated that the Helmand Project, due to enormous expenditures sustained by the Government, and continuous efforts and increased expenditures it requires, is too big a project for a country like Afghanistan, Therefore, it could be mentioned now that before launching the Helmand Project extensive scientific study, survey, and estimates were not made, and a comparative study of Helmand with other short-term projects were not carried out. Had the amount of Afghanis and foreign exchange which has been spent on Helmand been spent on a few small agricultural and economically feasible projects at Helmand or other regions, certainly the country's economy would have benefitted from the contribution of such enormous investment.

It should also be stated that the Helmand Valley Project has contributed to our economy and since enormous investment is beeing made in diversion dams, canals and flood control, the contribution of Helmand Project is vital to the country's economy. As stated above, the project is a long-term program of development and extensive contribution will materialize when all phases of the project are completed.

General Oberservation

The presently authorized Helmand River projects cover 208,600 acres of irrigable land and will cost $ 44,457,840 (all currencies at legal rates) to develop, and may be expected to return, after full development, about $ 29,000,000 in gross annual production at current market prices less nominal production costs. In other words, the average cost is over $ 200 per acre and the annual gross production about $ 140 per acre or for

every dollar ent in development about $ 0,70 should be returned each year in gross agricultural produce at present market values.

In contrast, the Arghandab River Valley Projects cover over 200,000 acres of irrigable lands of which 18,000-190,000 can be watered from Arghandab diversions with reduced acreage and yields in low inflow years. The cost of development is estimated at $ 25,000,000 and the gross value of annual production after full development (primarily fruits and nuts) is estimated at $ 56,000.000. In other words the avarage cost of development is estimated at $ 136.00 per acre and gross annual production at $ 296.00 or for every dollar spent in development the country should receive $ 2,26 in produce at present market prices. Per dollar spent, the Arghandab Vallex projects may return 3 times as much as the Helmand River project now authorized.

Reasons for this wide difference in benefit (cost rations) are therefore:

1. By reducing the Arghandab-Tarnak acreage from well over 200,000 to 180,000 - 190,000, undesirable lands can be eliminated and a high proportion of good lands brought under water. About 89 % of the Arghandab-Tarnak lands are Class I, II and III and 75 % are of Classes I and II. Helmand Valley projects have 37 % Class IV lands, only 63 % of Classes I, II and III and only 43 % of Classes I and II. Since expected production by land classes is about of the order; I equals 100, II equals 80, III equals 40 and IV equals 30, the Arghandab Valley with a higher proportion of good lands yields much more per acte than the Helmand.

2. Costs of development are less in the Arghandab-Tarnak Area. The Helmand projects cost $ 86.00 per acre for diversion dams and main canals while the shorter Arghandab-Tarnak systems cost $ 24.00 per acre. The cost of the distribution and drainage system is estimated at $ 87,00 for the Helmand projects and $ 67,00 for the Arghandab projects.

Reclamation costs will be less on the Arghandab-Tarnak lands because less land will need reclamation. Drainage for removal of leaching water can be obtained for less cost. Helmand Vallcy projects will cost about $ 25.00 per acre for reclamation and Arghandab projects about $ 17.00 per acre.

3. The Arghandab-Tarnak Area is well adapted to the production, processing and marketing of high-value crops such as fruits and nuts. The expansion of this industry is in line with the water supplies. The areas lie on gently sloping plains with good air drainage and potentially good sub-surface drainage. The soils are generally deep and fertile. Kandahar, near the center of the area is Afghanistan's second largest city and a center of grading, processing, and shipping fruits and nuts. An international airport is planned and the present railhead is only 75 miles away by good motor roads. For these reasons, the better lands can be most profitably devoted to fruit and nut growing. This approach was made in the comparison given here. On the other hand, Helmand River projects are in general less well suited to fruit production, are longer distances from markets and have no real centers for grading, processing and shipping. These lands are better suited to field crops with such cash crops as cotton, sugar beets, oil seed crops and rice. About one-fifth of the land could be devoted to fruits and nuts. With the higher proportion of fruit and nut crops, the Arghandab-Tarnak area can be expected to have a per acre value ranging from 1.25 to 2.0 times the per acre value of Helmand Valley projects. For example, twenty-five bushels of wheat are worth 1500 Afghanis while 5 tons of grapes are worth 10,000 Afghanis at prevailing market prices.

Project Areas

A brief description of each project follows. The bar chart and tables should be used for comparing statistical data.

1. Boghra. 23.450 gross areas, 21,100 net irrigable; a desert plains project largely of Class IV land with some Class V and Class III cultivated; developed under 1946 and 1950 Contracts with drainage to be completed under 1954 Contract by ACU and MKA; lands allotted beginning in 1951; salinity, rising water tables and fertility problems were not solved. Four main villages and two amaller ones with a total of about 800 families settled and (government's estimate) about 330 more to settle. Production is very low now (4-5 bushels of wheat) but with full reclamation and development the project could return sufficient to support the families planned. Strict water control thorough reclamation and use of these lands for livestock-small

grain enterprises are necessary. Because settlement precaded reclamation there is now necessity for relocating some farmers until reclamation (drainage and leaching) can be accomplished. Over $ 6,000,000 are already invested and another $ 500,000 to $ 1,000,000 may be necessary to protect this investment. Cooperative livestock markets and wool processing and salt production should become local enterprises.

2. Marja. A new desert project of 30,000 gross and 26,700 net irrigable acres, 42 % Class IV land with no Class I. Desert soils are moderately deep to shallow silt loams to sandy loams, shallow over impervious materials; Loose sands occur on and near south-west part of project; Class IV lands are saline. There are no settlers but some land is now seeded under contract. The potential new settlement could be 2,000 - 3,000 families after full development. Great care must be used in development and reclamation as these lands can deteriorate rapidly if no proper drained, leached and seeded initially to soil-building crops. Wind erosion control is required. At present about $ 4,000,000 have been spent on this project. Another 4-5 million will be necessary to complete development. The completion of this project is a part of the 1954 Contract, with MKA doing main drains and laterals, and ACU doing the balance of the land development. Water supplies adequate and of good quality.

3. Shamalan

Area: Gross 50,000, net irrigable 44,000.
Type of land; Deep silt loams to sandy loams on recent alluvial benches and bottoms, some saline-alkali land to sands.
Classes of land: I equals 37 %; II equals 48 %; III equals 12 %; IV equals 3 %.
Present Agriculture; Wheat, alfalfa, some fruits on about 28,800 acres but with production at about 50 % level.
Water supply: Good quality and ample quantity.
Population: Estimated at about 5,000 families engaged in relatively stable farming and livestock production.

Effect of Comprehensive Development:

a) Increase in land annually farmed - 15,600 acres

b) Increase of production on old land - 100 %
c) Potential gross production - $ 9,000,000
d) Present gross production (estimated) $ 3,000,000
e) Potential additional population capacity - about 5,000 families
f) Potential new industries - cotton gins, oil seed press, seed production, grain elevators and mills, fruit processing, tanning.

Planned 1954 Contract Work:

MKA will construct main drains and main lateral turnouts. ACU will do sub-surface and surface drains, irrigation and distribution to present system and complete development of 15,600 acres. At present about $ 7,000,000 have been invested in the Shamalan development in all currencies, and another $ 3,000,000 to $ 3,500,000 will be required for complete development.

4. Darweshan

Area: About 65,000 gross acres with 50,000 net irrigable.

Types of land: Deep silt loam to silty clay loam alluvial terraces and sandy bottom lands; some saline-alkali land and some sands.

Classes of land (est): I equals 18 %; II equals 45 %; III equals 23 %, IV equals 14 %.

Present Agriculture: Scanty and udnependable production of small grains and truck; mostly grazing.

Water Supply Potentail: Ample water of good quality.

Population (est): About 2,000 families living mainly on short grain crops and livestock.

Estimated Effect of Comprehensive Development.

a. Increase in annually cropped land - 3,800 acres.
b. Increase in production of old land - 300 %
c. Potential gross production - $ 8,300,000
d. Present gross production (est) - $ 5,000,000
e. Potential New Population Capacity: 700 families.

f. Potential new industries: Cotton gin, oil seed press, tannery, sugar beet mill, grain storage and milling, fruit processing, farm machinery shops.

Planned Work 1954 Contract:

MKA will construct a diversion dam, main canal, main drains and laterals. Land development, i.e. sublaterals, farm distribution and drainage systems, loveling leaching, etc., will be done by ACU as far as money will go. At present, about $ 1,275,000 of Helmand Valley development costs are chargeable to the Darweshan Area. Another $ 8,725,000 will be required for complete development.

5. Seraj

Area: Gross 106,000 net irrigable 67,900 acres.
Types of land: Consists of five widely separated tracts of land extending over 80 kilometers along the right bank of the Helmand, includes two tracts of river valley soil, one on the Helmand above Girishk (about 7,500 acres) and the Arghandab Valley tract of 18,600 acres. These are deep, alluvial silt loams and silty clay loams, but are saline-alkali and waterlogged over about one-third of the total. The remaining 38,400 acres is desert land consisting chiefly of shallow to medium depth silt loams to sandy loams, shallow over impervious beds of conglomerate or shale. Serious water table and saline-alkali and waterlogged over about one-third of the total. The remaining 38,400 acres is desert land consisting chiefly of shallow to medium depth silt loams to sandy loams, shallow over impervious beds of conglomerate or shale. Serious water table and saline alkali problems exist and several thousand acres have been abandoned.

Classes of Land: I equals 7 %; III equals 24 %; IV equals 55 % Present Agriculture: Between 40,000 and 50,000 acres are now farmed to wheat, summer truck crops and a very li - mited amount of fruit and grapes. Production is very low except in the upper Valley portion.

Potentila Water Supply: Ample water of good quality.
Population: Estimated at about 5,000 families.

Effect of Comprehensive Development:

a. Increase in cropped land - 25,000 acres.
b. Increase production of old land - 100 %.
c. Potential gross production - $ 6,640,000.
d. Present production (estimated) - $ 1,640,000.
e. Potential additional population capacity: 1,000 families.

Planned 1954 Contract Work:

MKA will construct intake structures, partial new canal and enlargement of old canal, new lateral branch to Arghandab Valley and main drains. At present about $ 2,500,000 is allocated $ 5,675,000 is required for complete development.

6. Tarnak Area:

Area: 125,000 gross, 90,000 net irrigable, 68,000 selected.

Types of Land: Deep fertile silt loams to silty clay loams on broad valley fill and river terrace with some sandier bottom land soils near the Arghastan and some moderately deep to shallow loams and sandy loams over desert outwash in upper end. Severely saline-alkali in parts of lower plain, small ewt areas near Arghastan River.

Land Classes: By elimination of most of the less desirable lands, the land selected for use ar: Class I equals 23 %; II equals 35 %, III equals 37 %, IV equals 5 %.

Present Agriculture: About 10,000 - 15,000 acres are farmed to wheat using karez water, some spring run off from Tarnak and Arghandab Rivers and some Arghandab River water. Production is haphazard depending on spring rains. A few vineyards and some truck crops are grown.

Water supply: Records indicate that with present storage a possible 50 % reduction in yields will be required for 4 out of 9 years. With additional storage of 80,000 - 100,000 acre-feet in the Arghandab Reservoir, this can be reduced to 2 out of 10 years. Rigid water control and accurate forecasting is necessary. Table II shows the income for present storage (1st line), full irrigation (2nd line) and increased storage

(3rd line). Runoff from Tarnak, Dori and Arghastan Rivers if properly controlled could furnish the additional water needed for full irrigation of the 38,000 acres.

Population: Estimated at 3,000 families scattered in some 20 small villages over the area.

Effect of Comprehensive Development:

a. Increase in annually farmed land: 55,000 acres.
b. Increase of production on old lands: 300 %.
c. Potential Gross Production
   (1) With full water supply: $ 13,500,000
   (2) With 4 short years out of 9: $ 11,600,000
   (3) With 2 short years out of 10: $ 12,700,000
d. Present gross production (est): $ 750,000.
e. Potential additional population capacity: 12,000 families.
f. Potential new industries: international airport trade in air freight of choice fruits; fruit processing; packing and shipping of fruits, nuts and vegetables, cotton gin, oil seed press, wheat granaries, farm machinery, tobacco pressing, certified seed, livestock, tanning, salt refining.

Planned 1954 Contract Work:

MKA will construct the diversion dam, canal, main distribution system, trunk drains, and project access roads. Complete land development would be done by ACU if money is available. At present about $ 1,850,000 is present expenditure on the Tarnak development with $ 7,840,000 required to complete full development.

7. North Arghandab:

Area: 54,000 gross, 47,465 net irrigable acres.
Types of Land: Chiefly deep silt loams to silty clay loams on sloping valley fill and river terraces. Moderately deep to shallow silt loams and loams over moderately deep gravel and conglomerate rock lie along the upper part of the area adjoining the outwash desert plains. Highly saline-alkali soils occur in small bodies. Water tables are high in a number of places but

drainability appears good and over use of water and lack of surface drains are the principal causes of groundwater troubles.
Present Agriculture: Extensive acreages are devoted to grapes, fruit, wheat, legumes and truck crops. About 30,000 acres are farmed regularly, about 15,000 need a water supply and distribution system and about 2,500 acres are abandoned because of saline-alkali or wet conditions. Fruit and grape production can be greatly increased by good irrigation and horticultural practices.
Water Supply: Poor distribution is the chief cause of water shortages on the lower end of the area. The upper canals with no controls take much more than is needed. By rigid control, there could be water for full irrigation 5 years out of 9 and the shortage be about 30 % the other four years. With additional storage, this could be reduced to 2 short years out of 10. Production for present storage, full irrigation and increased storage, respectively, are shown in Table II.

Population: Estimated at 12,000 families.

Effect of Comprehensive Development:

a. Increase in annually farmed land: 15,000 acres.
b. Increase in production of old land: 50 %
c. Potential gross production: $ 17,000,000
d. Present gross production (est): $ 7,000,000.
e. Potential additional population capacity: 7,000 families
f. Potential new industries: Refrigerated fruit and vegetable handling facilities, canneries, traction plants, wineries, commercial alcohol distillation, tobacco processing, flour mills, tanneries, cotton and woolen mills, farm machinery supply and repair contors, fertilizers, retail stores, farm insecticides and fungicides, meat packing plants, soap and other oil and fat products.

Planned 1954 Contract Work:

None. About $ 1,282,000 of the Arghandab Dam cost is allocated to North Arghandab. An outlay of about $ 6,000,000 in all currencies be needed to finish a complete development job on the North Arghandab area.

8. South Arghandab Area:

Area: Gross 100,000 acres, net 75,000 selected to 8,000 for development.
Types of Land: Generally deep silt loams to silty clay loams on gently sloping valley fill and river terraces. Some shallow to moderately deep soils on desert out wash in upper end, some heavy slowly drained soils in South Central part; severe saline-alkali conditions in lower part of the area. Drainability and actual extent of soils of various types being determined now by soil survey.
Land Classes: Estimated to be after selection of acreage: I equals 32 %, II equals 30 %, III equals 25 %, IV equals 13 %.
Present Agriculture: Generally farmed in upper end and along river to grapes and deciduous fruits. Wheat is produced on middle and lower areas. Truck crops are extensive near Kandahar. There is wide variation in production and much could be done to increase yields and to increase acreage of more productive and profitable crops.

Water Supply: (same as discussed above for Tarnak and North Arghandab). With electrical power at Arghandab some study should be made of pumping for irrigation as well as for lowering of ground water in wet areas. Production for three conditions are shown in Table II.
Population: A survey is needed since many people live in Kandahar, but own lands in the Valley. Roughly 20,000 families may now live on or farm the 48,000 acres estimated to be cropped annually.

Effect of Comprehensive Development:

a. Increase in annually farmed land: 20,000 acres.
b. Increase in production of old land: 45 %
c. Potential gross production: $ 26,400,000.
d. Present gross production (est): $ 12,400,000.
e. Potential additional population capacity: 12,000 families.
f. Potential New Industries: Same as for North Arghandab except that Kandahar where most of these industries would be located is nearer the South Arghandab lands. In the future, Kandahar may have a railroad head and ship fruits, wool, cotton livestock and manufactured goods direct by rail to the seacost and to markets in other countries. Ice plant and re-

frigerated cars would be needed for fruits and vegetables.

Planned 1954 Contact Work:

MKA will construct diversion dam and distribution controls to present irrigation system with wasteway return to river. About $ 1,836,000 is now allocated for cost of the Arghandab Dam and another $ 7,500,000 would be needed for full development of the entire area.

TABLE I TOTAL COST FOR COMPLETION OF WORK UNDER CONTRACT OF PROPOSED UNDER KAJAKAI DAM

AREA	GROSS ACRES	PRORATA COST DAM	PRORATA COST DIVERSION AND CANAL	MAJOR IRR. DISTR. SYSTEM AND DRAINAGE	MAJOR DRAINAGE SYSTEM (1954)	INITIAL TILE DRAIN
		MKA*	MKA*	MKA*	MKA*	ACU*
Kajakai to Girishk	24,500	545,700	-	-	-	-
Boghra (58,450 Total)	23,450	865,600	3.545,000	1.329,100	454,600	339,500
Uarja	27,600	621,000	2,916,700	1,889,200	-	-
Girishk to Shamalan	13,500	301,000	-	-	-	none
Shamalan	44,400	997,200	5,978,900	1,814,000	-	none
Seraj	67,400	1,439,400	2.545,9öö*	(Incl.)	(Incl.)	-
Darweshan	55,200	1.232,400	3,000,000	3,962,300	(Incl.)	-
Garmsel	28,800	1,091,300	-	-	-	-
Ghakansur	103,000	2,314,300	-	-	-	-
TOTAL	408,650	$9,407,900	$17,966,500	$8,994,600	$454,600	$ 339,500

UNDER ARGHANDAB DAM

Tstnsk	68,000	1,836,400	2,292,600	2.130,900	1,028,200	-
Central Arghandab**	68,000	1,836,400	1,174,000	2.130,900	2.144,600	-
North Arghandab	47,500	1,282,800	1,050,500	(Incl.)	1.666,400	-
TOTAL	183,500	$4.955,600	$4,517,100	$4.261,800	$4,839,200	-

*** Dam Only

** The Central area has not been surveyed for detailed soils information

* Average cost of the five authorized projects.

A.C.U. ADDITIONAL TILE DRAIN OR OTHER	INTERPROJECT ROADS AND PROJECT ROADS	BUILDINGS AND IMPROVEMENTS	DISTR. SYSTEM SUBLATERAL TO FARM	RECLAMATION AND CON-SERVATION COSTS	TOTAL COST IN DOLLARS	COST PER ACRE DOLLARS
-	-	-	-	-	545,700	22.00 -
504,000	70,800	56,800	-	373,300	7,199,200	307,00 -
787,500	75,100	847,200	61,800	937,500	8,475,500	307,00 -
-	-	-	-	-	301,000	22,00 -
434,000	384,100	-	72,200	888,500	10,568,900	238,00 -
1,571,500	212,800	200,000	106,300	2,218,800	8,274,700	123,00 -
444,500	283,800	(Incl.)	196,200	880,900	10,000,100	181,00 -
-	-	-	-	-	1,091,300	22,00 -
-	-	-	-	-	2.314,300	22,00 -
$ 3,741,500	$1,026,600	$ 1,104,000	$ 436,500	$ 5,299,000	$ 48,770,700	$ 1,244,00 *

UNDER ARGHANDAB DAM

423,500	-	-	186,300	792,700	9,690,600	14,50
318,300	200,000	-	191,900	1,305,600	9,301,600	136,80
738,500	-	200,000	62,300	1,078,100	6,078,600	128,00
$1,480,300	$ 200,000	$ 200,000	$ 440,400	$ 3,176,400	$ 25,070,800	136,02

* Average cost of the five authorized projects:

TABLE II COMPARISON OF COSTS AND BENEFITS AS ESTIMATED FOR HELMAND VALLEY DEVELOPMENT PROJECTS 7/19/55

PROJECT AREA	CLASS I LAND ACRES	CLASS I LAND PROD.VAL.	CLASS II LAND ACRES	CLASS II LAND PROD.VAL.	CLASS III LAND ACRES	CLASS III LAND PROD.VAL.	
IRRIGATED FROM THE KAJAKAI RESERVOIR							
Bghra (23,450)	-	-	450	90,000	1,350	162,000	(1)
Marja (29,370)	-	-	7,925	1,672,000	7,443	834,000	(2)
Shamalan(47,876)	15,781	4,197,000	20,899	4,180,000	5,480	614,000	(3)
Darweshan(55,218) 2/	9,000	2,250,000	22,500	4,500,000	11,430	1,143,000	(4)
Seraj (75,483 2/	4,500	900,000	9,761	1,562,000	16,409	1,756,000	(5)
Helmand Projects	29,281	7,347,000	61,535	12,004,000	42,112	4,509,000	
IRRIGATED BY WATER FROM THE ARGHANDAB RESERVOIR							
S. Argh. 2/	23,600	12,426,000 14,334,000 13,474,000	21,800	5,244,000 6,857,000 6,443,000	18,900	4,716,000 5,438,000 5,113,000	(6)
N. Argh.	20,000	10,317,300 11,900,000 11,186,000	985	303,700 353,500 331,000	18,580	4,105,000 4,732,000 4,449,000	(7)
Tarnak 2/	15,100	5,191,000 6,022,000	24,000	4,210,000 5,011,000 4,654,000	25,500	2,056,000 2,317,000 2,200,000	(8)
Arghandab Valley Projects	59,100	27,934,300 32,256,000 30,307,000	46,785	9,765,000 12,221,500 11,428,000	59,980	10,877,000 12,487,000 11,762,000	

NOTE: 1/ Net Acres -- gross irrigable - 10 %. Production values are adjusted from Work Sheet 7 of Helmand Valley Development Report.

2/ Land classes are estimated as soils maps have not been planimetered by types.

3/ 33 % reduction in yields. 3 out of 8 years due to low water flow at Argh. Dem.

4/ Reduction in yields of about 1/3. 2 years out of 10 based on 80,000 acre feet additional reservoir storage.

CONTINUED

CLASS IV LAND ACRES	CLASS IV LAND PROD.VAL.	TOTAL PROJECT ACRES	TOTAL PROJECT PROD. VAL.	MEAN PRODUCTION PER ACRE	MEAN PRODUCTION PER ACRE	RATIO ANNUAL PRODUCTION TO COST	
IRRIGATED BY WATER FROM THE KAJAKAI RESERVOIR							
19,300	1,254,500	21,100	1,506,500	$ 71,00	$ 307	0.23	(1)
11,334	929,000	26,700	3,435,000	129,00	307	0.42	(2)
2,426	194,000	43,188	9,185,000	213,00	238	0.39	(3)
6,766	440,000	49,696	8,333,000	168,00	181	0.92	(4)
37,264	2,422,000	67,934	6,640,000	98,00	123	0.79	(5)
77,090	5,239,500	208,618	29,099,500	140,00	206	0.68	
IRRIGATED BY WATER FROM THE ARGHANDAB RESERVOIR							
9,450	1,165,000	73,750	24,350,000	330,00	137	2.41 3/	(6)
	1,468,000		28,100,000	380,00	-	-	
	1,376,000		26,407,000	358,00	141	2.54 4/	
7,900	159,000	47,465	15,676,000	330,00	128	2.58 3/	(7)
	1,102,000		18,087,000	380,00	-	-	
	1,033,000		17,000,000	358,00	132	2.71 4/	
3,000	159,000	68,000	11,624,000	171,00	143	1.20 3/	(8)
	203,500		13,553,000	199,00	-	-	
	184,000		12,685,000	187,00	147	1.27 4/	
	2,374,000		51,650,000	273,00	137	2.00 3/	
20,350	2,773,500	189,215	59,740,000	316,00	-	-	
	2,593,000	193,465	56,092,000	296,00	139	2.13 4/	

NOTE: -- 1/ Net acres - gross irrigable - 10 %. Production values are adjusted from work Sheet 7 of Helmand Valley development Report.

2/ Land classes are estimated as soils maps have not been planimetered by types.

3/ 33 % reduction in yields. 3 out of 8 years due to low flow at Arghandab Dam.

4/ Reduction in yields of about 1/3. 2 years out of 10 based on 80,000 acre feet additional reservoir storage.

TABLE III

The population-supporting capacity for average family needs is computed as:

	ANNUAL GROSS INCOME	ANNUAL 10 % DEBT INVESTMENT	FAMILIES POPULATION
SERAJ	$ 6,639,700	$ 663,970	6,000*
DARWESHAN	8,332,900	833,290	9,000
TARNAK	12,685,000	1,268,500	13,600
CENTRAL ARGHANDAB	26,400,200	2,640,020	28,000
NORTH ARGHANDAB	17,000,000	1,700,000	18,000
BOGHRA	1,506,500	150,650	1,130*
MARJA	3,435,200	343,520	2,500*
SHAMALAN	9,185,100	918,510	10,000
	$ 85,184,600	$ 8,518,460	88,230

IMPORTANT NOTE: The dollar conversion rate assumed for this study is 21.2666 Afghanis for $ 1.00; however, the free market value of Afghanis appears to be nearly double this, or 43 Afghanis for $ 1.00. Population capacity is calucalted at 17,840 Afghanis for a family of five as per living cost schedule attached.

* Areas high in Class IV land require greater gross income to offset cost of operating larger acreages.

TABLE IV

The assumed status of land use for each of the development areas as of July, 1955, with population supporting capacity.

AREA	ACREAGE	ASSUMED ACREAGE NOW FARMED	AVERAGE 2/ 1/INCOME PER ACRE THIRD STAGE DEVELOPMENT	NO. OF 1/ FAMILIES NOW ON LAND	ADDI-3/ TIONAL CAPACITY FAMILIES
BOGHRA	23,450	18,000	$ 57.81	800	330
MARJA	27,600	None	112.01	None	2,500
SHAMALAN	44,600	28,800	186.18	5,000	5,000
SIRAJ	67,400	42,400	92.36	2,000	7,000
PARWECHAN	55,200	11,000	135.86	2,000	7,000
N.ARGHANDAB	47,500	35,000	322,20	12,000	6,000
CENTRAL ARGHANDAB	68,000	48,000	349.42	20,000	8,000
TARNAK	68,000	15,000	167.89	3,600	10,000
TOTALS	401,550	198,200	$ 190.09	48,400	39,830

1/ Roughly estimated since no population on current land use surveys are available.

2/ Allow 10 % for development retirement. This income has been conver to dollars at 21.2660 per dollar and shows double the free market value of income per acre.

3/ Populations should not be reduced by 50 % when calculating dollars at current free market rates. Population capacity is based on a gross farm income less 10 % for retirement and O and M costs of 17,840 afghanis per average family of 5 persons. See schedule of living costs attached. Areas high in Class IV land require greater gross income per family and are so adjusted.

TABLE V

Living Costs for Reasonable Living Standards*

An average family house costs Afghanis 25,000. If a man does not have property such as a house of his own, he must pay rent of at least Afghanis 70 per month.

The daily food expense of a man, wife and three children is as follows:

Flour 1 1/2 pound for bread	Afs. 23/-
Fuel lumber and ghee	Afs. 5/-
Vegetables and fruits	Afs. 5/-
Milk, Tea and Sugar	Afs. 3/-
Mutton or beef	Afs. 4/-
	Afs. 40/-

Yearly clothing and miscellaneous expense for five persons:

Clothing, seeds, labor hire, etc.	Afs. 1,500/-
Shoes	Afs. 400/-
Medical Supplies and Expenses	Afs. 500/-
	Afs. 2,400/-

365 days per year multiplied by Afs. 40/-	Afs. 14,600/-
Yearly clothing and medical expenses	Afs. 2,400/-
Total Year Expenses	Afs. 17,000/-
Plus probable rental on home	Afs. 840/-
Total Annual Cost of Living	Afs. 17,840/-

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* Estimates furnished by Afghans rage from 10,000 to 25,000 Afghanis per year. The above was selected as approximating the general average.

Revised 7/18/55

TABLE VI ARABLE LAND UNDER KAJAKAI DAM ESTIMATED

	ARABLE Cultivated acres	ARABLE Non-cultivated acres	Total acres	Per cent of total arable land - land under Kajakai Dam	Prorate of 75 % of $ 12,543,889 DAM or $ 9,407,900
Kajakai to Girishk	20,000	4,500	24,500	5.8	$ 545,700
Boghra and Out-of Project Boghra	31,000	7,450	38,450	9.2	865,600
Marja	2,000	25,600	27,600	6.6	621,000
Girishk to Shamalan	8,000	5,500	13.500	3.2	301,000
Shamalan	24,000	20,400	44,400	10.6	997,200
Seraj	53,000	10,700	64,400	15.3	1,439,400
Darweshan	10,000	45,200	55,200	13.1	1,232,400
Garmsel	17,500	31,300	48,800	11.6	1,091,300
Chakansur-Chahar Burjak to Basin	40,000	63,000	103,000	24.6	2,314,300
Total acres	206,200	213,650	419,850	100.0	$ 9,407,900

TABLE VII

Allocation of funds for the Helmand Valley Project

First Year	Eximbank	Government	Rupies	Afghanis
Projects	$ 6,600,000	$ 149,900	3,676,430	57,334,754
Administrative Budget	-	408,370	46,460	48,668,753
TOTAL	$ 6,600,000	$ 548,270	3,722,780	106,003,507
Second Year				
Projects	$ 2,535,493	$ 148,000	2,624,136	58,780,329
Administrative Budget	-	408,370	46,460	48,668,753
TOTAL	$ 2,535,493	$ 556,370	2,670,596	107,449,082
Two year total	$ 9,135,493	$1,106,640	6,393,376	213,452,589

ARGHANDAB

Hydro-electricity $ 1,632,700 997,500 Rupees 9,920,475 Af.

NOTE: Since estimates are not made for the third, fourth, and fifth years of the Plan, $ 20,000,000 is being alloated for the continued work of the Helmand Valley Project. Out of this fund the equivalent of $ 10,000,000 will be made available in foreign currency and the equivalent of $ 10,000,000 in local currency.

OTHER IRRIGATION PROJECTS

1. The irrigation of Jalalabad Canal with its Distribution Canals:

Approximate cost	$ 8,000,000
60 % in dollars	$ 4,800,000
40 % in Afghanis	Afs. 64,000,000

Period of construction 1335 - 1339 (five years).

2. The Water Storage Dam at Paltu District of Katawaz:

Approximate cost	$ 3,000,000
40 % in dollars	$ 1,200,000
60 % in Afghanis	Afs. 36,000,000

Period of construction 1337 - 1339 (3 years).

3. The Water Storage Dam at Sardeh District of Ghazni:

Approximate cost	$ 2,500,000
40 % in dollars	$ 1,000,000
60 % in Afghanis	Afs.30,000,000

Period of construction 1336 - 1338 (3 years).

4. The Water Storage Dam at Kharwar:

Approximate cost	$ 1,200,000
40 % in dollars	$ 480,000
60 % in Afghanis	Afs. 14,400,000

Period of construction 1336 - 1339 (3 years).

5. The Irrigation Project of Kunduz:

Approximate cost	$ 10,600,000
40 % in dollars	$ 4,240,000
60 % in Afghanis	Afs.127,200,000

Period of construction 1336 - 1339 (4 years).

6. The Irrigation Project of Kokcha River:

Approximate cost	$ 25,000,000
40 % in dollars	$ 10,000,000
60 % in Afghanis	Afs. 300,000,000

Period of construction 1335 - 1339 (5 years).

7. The Project and Construction of Mochalgho Water Storage:

Approximate cost	$ 2,000,000
40 % in dollars	$ 800,000
60 % in Afghanis	Afs. 24,000,000

Period of construction 1335 - 1339 (5 years).

II - TRANSPORTATION SECTION

In our country there are no railroads or waterways and aviation is not greatly developed. The only modern means for transporting passengers and cargoes are buses and trucks; although in some parts of the country animals are used for transport, they are decreasing gradually and being replaced by trucks and buses. The number of cars and trucks imported since 1330 (1951-1952), the greater part of which are trucks, are as follws:

1330	- 222
1331	531
1332	265
1333	892
1334	500

According to these Statistics the volume of commodities transported comes in two million tons. The present number of vehicles is small in relation to the rapidly increasing transportation requirements. Therefore, more trucks should be imported. In the five year plan sizeable sums have been allocated to import the following number of trucks:

1335	3,500
1336	3,000
1337	3,750
1338	4,500
1339	5,000

In addition, the Government has recently devoted attention to encouraging individuals to import trucks. The Monopoly excise tax has been reduced from 18 % to 12 % and from 12 % to 8 %. The foreign exchange required for the purchase of trucks will be made available at the industrial rate. It must be mentioned that for the development of transportation the existance of more trucks is not sufficient. Proper utilization is also important, and this in turn is related to other factors:

1. Improvement and paving of present roads and the provision of other necessities to facilitate transportation, especially the elimination of curves and construction of bridges so that they will be able to support twenty-five ton trucks with trailers. With these improvements the roads of this country, which lacks railroads, will be adequate to carry heavy cargoes which will save time and compensate for the absence of railroads.

2. Establishment of motor workshops to repair trucks and automobiles rapidly. Although there are at present a few small

private workshops, they are adequate neither in number nor efficiency. Therefore, in the Five Year Plan consideration is given to the establishment of modern workshops in five provinces beginning with Kabul.

3.Facilitat in the provision of spare parts and lubricants required by trucks at all times and all places. There are now available parts in various automobile shops, but with the expansion of transportation and the importation of increased numbers of vehicles additional facilities and greater supplies will be necessary. Increase of the supply is under consideration. When orders for automobiles and trucks are placed, 10 % of the spare parts required will be included in the order. Foreign exchange for this purpose will be made available to the department concerned at the industrial rate.

Organization of Transportation

Another problem in the development of transportation which is of no less importance than those mentioned above is organization of transportation. The present transportation system is inadequate. Under the present system transportation provided by individuals and private organizations is not coordinated and does not follow any general policy in transportating merchandice and passengers. Therefore, the present number of automobiles and trucks are not economically utilized and, generally speaking, the transportation system has organizational defects which should be remedied. Because of the above mentioned considerations and bad experiences in the past when joint-stock companies were responsible for transportation, reorganization of the system necessary. Therefore, in addition to the present joint-stock transportation companies and associations should be established and provide the necessary facilities so that, on one hand, individual undertakings will be encouraged to work together and be more active, and on the other the effect of the shortage of trained personnel so badly needed by the transportation organization is proposed. This department will be responsible for organizin transport and all relevant activities.

It is intended that representatives of all these regional transport organizations will meet in Kabul and discuss their problems with the Transport Department, such as fixing rates,

and other matters. The Transport Department should be entrusted with the responsibility for all transport services, harbors, transit facilities, and organization.

LIST OF PROJECTS

Road Construction

Northern Routes

1. Kabul - Charikar

Length 65 km
Width 10 m
Cost per KM 250,000 afs.
Total cost16,250,000afs.
40 % in dollars 325,000 $
60 % in afghanis 9,750,000afs.
Period of construction:
1335-1338 (3 1/2 years)

2. Charikar-Doshi (via Salang Pass after surveying).

Length (via Salang) 105 Km
(via Shekari pass) 230 Km
Total cost 12,000,000 $
70 % in dollars 8,400,000 $
30 % in afghanis 72,000,000 afs.
Period of construction: 1336-1339 (4 years) - one year for prelimina studies & 3 years for construction of the road.

3. Doshi - Kundus

Length 158 Km
Width 10 m
Cost per Km 500,000 afs.
Total cost 79,000,000 afs.
40 % in dollars 1,580,000 $
60 % in afghanis 47,400,000 afs.
Period of construction:
1335-1338 (3 years)

4. Kunduz - Quizel-Qala

Length 67 Km
Width 10 m
Cost per Km 272,000 afs.
Total cost 18,224,000 afs.
40 % in dollars264,480 $
60 % in afs.10,934,400 afs.
Period of construction:
1335 - 1337 (2 years)

5. Mazar-i-Sharif

Length 120 Km
Width 10 m
Cost per Km 250,000 afs.
Total cost 30,000,000 afs.
40% in dollars 600,000 $
60% in afs. 18,000,000 afs.
Period of construction:
1335 - 1337 (2 years)

6. The Dara-e-Soof-Road

Length 120 Km
Width 10 m
cost per Km 1,200,000 afs.
Total cost 144,000,000 afs.
40% in dollars2,880,000 $
60% in afs. 86,400,000 afs.
period of construction:
1335 - 1339 (5 years)

Eastern Routes

1. Kabul -Jalalabad (via Tangi-Gharu)

Length: 164 Km
Width: 10 m
Cost per Km (app.)
afs. 492,000 afs.
Total cost afs. 80,688,000 afs.
40% in dollars 1,613,760 $
60% in afs. 48,412,800 afs.

2. Jalalabad - Torkham

Length: 76 km
Width: 10 m
Approximate cost per Km
afs.492,000 afs.
Total cost afs. 37,392,000 afs.
40% in dollars 747,840 $
60% in afs. 22,435,200 afs.
Period of construction of the road from Kabul to Torkham
1335 - 1339 (5 years)

Western Route

1. Kabul - Ghazni

Length 159 Km
Width 10 m
Approximate cost per km
afs. 250,000
Total cost 39,750,000 afs.
40% in dollars 795,000 $
60% in afs. 23,850,000 afs.
Period of construction
1335 - 1339 (5 years)

2. Ghazni-Mukur

Length 111 Km
Width 10 m
Approximate cost per km
afs. 250,000
Total cost 27,750,000
40% in dollars 555,000 $
60% in afs. 16,650,000 afs.
Period of construction
1336 - 1339 (4 years)

3. Mukur - Kalat

Length 117 km
Width 10 m
Approximate cost per Km
afs. 250,000
Total cost 29,250,000 afs.
40% in dollars 585,000 $
60% in afs. 17,550,000 afs.
Period of construction
1337 - 1339 (3 years)

4. Qalat - Kandahar

Length 138 Km
Width 10 m
Approximate cost per Km
afs. 250,000
Total cost 34,500,000 afs.
40% in dollars 690,000 $
60% in afs. 20,700,000 afs.
Period of construction
1338 - 1339 (2 years)

5. Kandahar - Spinboldak

Length 105 Km

Width 10 m

Approximate cost per Km 200,000 afs.

Total cost 20,000,000 afs.

20% in dollars 210,000 $

80% in afs. 16,800,000 afs.

Period construction 1335 - 1336

(2 years)

Asphalting of the roads

Nothern route:

1. Kabul - Charikar

Length 65 Km

Width 6 m

Per sq.meter of asphalt 2.80 $

Approximate total cost 1,092,000 $

70% in dollars 764,400 $

30% in afs. 6,552,000afs.

Period of construction

1336 - 1339 (3 1/2 years)

2. Doshi - Qisil-Qala

Length 225 Km

Width 6 m

Per sq.meter of asphalt 2.80 $

Total approximate cost 3,780,000 $

70% in dollars 2,646,000 $

30% in afghanis 22,680,000

Period of construction

1337 - 1339 (within 3 years)

Eastern Route:

1. Kabul - Tang-e-Gharoo

Length 20 Km

Width 6 m

Cost per sq.meter 2.80 £

Total cost 336,000 $

70% in dollars 235,200 $

30% in afghanis 2,016,000 afs.

To be completed during 1336

2. Sarkandubaba-Torkham

Length 120 Km

Width 6 m

Cost per sq.meter 2.80 $

Approximate total cost

214,000 $

70% in dollars 1,528,000 $

30% in afs. 13,104,000 afs.

Period of construction

1336 - 1339 (4 years)

Southern Route:

1. Kabul - Kandahar

Length 525 Km
Width 6 m
Cost per sq.meter 2.80 $
Approximate total cost
$ 8,820,000
70% in dollars $ 6,174,000
30% in afs. 52,920,000
Period of construction
1336 - 1339 (4 years)

2. Kandahar - Spinboldak

Length 105 Km
Width 6 m
Approximate total cost
1,764,000 $

70% in dollars 1,234,800 $
30% in afs. 10,584,000 afs.
Period of construction
1335 - 1336 (2 years)

These are the steps briefly mentioned, but it must be stated that these undertaking are till at a preliminary stage and require many years for completion and improvement. Hard work as well as effective coordination between the various agencies is essential. In this plan much importance has been attached to civil aviation. Steps have been taken for the next five years. Provision has been for gradual expenditures for airports during the five years. It is anticipated that the Kandahar air-will be completed in 1335. Construction of the Kabul airfield will begin in 1335 and be completed in two years. Construction of airfields at Herat, Mazar-i-Sharif will begin in 1336 and will be completed at the end of the five year plan. Accordingly, expenditures for airfields in the five year plan are as follows:

	In Millions Afghanis
1335	106.50
1336	43.53
1337	40.52
1338	40.52
1339	40.52
Total	267.59

Airfields

1. The Kabul Airfield

Approximate total cost 70,000,000
60% in dollars $ 2,100,000
40% in afs. afs.28,000,000
Period of construction 1335-1336
(2 years)

2. The Begram Airfield

Approximate total cost $ 3,300,000
60% in dollars $ 1,980,000
40% in afs. afs. 26,400,000

Irrigation Projects*

1. The Irrigation of Jalalabad Canal with its Distribution Canals.

Approximate cost $ 8,000,000
60% in dollars $ 4,800,000
40% in afs. afs.64,000,000
Period of construction
1335-1339 (5years)

2. The Water Storage Dam at Paltu District of Katawaz.

Approximate cost $ 3,000,000
40% in dollars $ 1,200,000
60% in afs. afs.36,000,000
Period of construction
1337 - 1339 (3 years)

3. The Water Storage Dam at Sardeh District of Ghazni

Approximate cost $ 2,500,000
40% in dollars $ 1,000,000
60% in afs. afs.30,000,000
Period of construction
1336 - 1338 (3 years)

4. The Water Storage Dam at Kharwar

Approximate cost $ 1,200,000
40% in dollars $ 480,000
60% in afs. afs. 14,400,000
Period of construction
1336 - 1339 (3 years)

5. The Irrigation Project of Kunduz

Approximate cost $ 10,600,000
40% in dollar $ 4,240,000
60% in afs. afs.127,200,000
Period of construction 1336-1339
(4 years)

6. The Irrigation Project of Kokcha River

Approximate cost $ 25,000,000
40% in dollars $ 10,000,000
60% in afs. afs.300,000,000
Period of construction 1335-1339
(5 year)

7. The Project and Construction of Mochalgho Water Storage

Approximate cost $ 2,000,000
40% in dollars $ 800,000
60% in afs. afs. 24,000,000
Period of construction 1335-1339
(5 years)

/*/ These projects are among agricultural projects but the construction work will be done by the Ministry of Public Works.

The supply of machinery and necessary equipment machines, technical men, vehicles, asphalting plant, etc. $ 6,500,000-

Summary of Expenditures	Afghanis	Dollars
Road construction	410,882,400	19,346,080
Asphalting	107,856,000	12,582,400
Airfields	54,400,000	4,080,000
Machinery, etc.		22,520,000
Irrigation (Agricultural Section)	595,600,000	6,500,000
Total in	1,168,738,400	65,028,480
Total in dollars	123,465,400	

Communications Plan

Communications play a very important role in the economic development of the modern world. The provision of communication facilities is considered to be one of the most important functions of governments. In Afghanistan some steps have been taken proportional to financial capabilities, technical skills and manpower, but generally speaking, the facilities are still at a primitive stage and need to be developed. The Government of Afghanistan has already approved a ten-year plan for the development of communications. Since the Government is now launching a five-year economic development plan, the first half of the ten years communications program is here included. Its important sections are as follows:

A. Postal service
B. Land line telephone and telegraph
C. Wireless
D. Related aspects to telegraph and telephone

The total cost in dollars, Rupees and Afghanis required for the five-year development plan in these sectors is:

1.	U.S. Dollars	4,973,048.25
2.	Rupees	250,000.00
3.	Afghanis	27,547,660.00

Details of the projects to be undertaken under the five-year plan (1335-1339) are as follows:

A. Postal service

1. Construction of new post office buildings

Year	No. of new Post Offices	Location of new Post Offices
1335	4	Gardez, Maimana, Kandahar, Lashkargah
1336	4	Andkhoy, Kundus, Pule Khomry, Khost
1337	5	Badakshan, Shiberghan, Kalay Now, Tulukan, Sharkhan Khail
1338	5	Low Gard, Taghkurghan, Urozgan, Paghman, Kapisa
1339	4	Sarobi, Baghlane Sunati, Chaghal, Sarai Urgoon
Total	22	

2. Establishment of new Post Offices

1335 : 27 1336 : 27 1337 : 27 1338 : 27
1339 : 27 Total 135

3. Opening 1,000 small postal units during the five years
4. Establishment of branches for the advertising and sale of postage stamps.
5. Purchase of four mobile post offices.
6. Establishment of a postal savings bank.
7. Opening general delivery
8. Purchase of two motor boats for postal service across the River Oxus.

B. Land line telegraph and telephone

1. Establishment of telephone exchanges in the following places:
Kabul, Kandahar, Ghazni, Herat, Grishk, Mazar-i-Sharif, Pulichomri, Charikar, Gardez, Jalalabad, Baghlan, Kundus, Farah, Andhoi, Maimana.

2. Establishment of lines and stations for channel system between:

   Torkham and Kabul, Kabul and Kandahar, Kandahar and Spinboldak, Kandahar and Farah, Herat and Islam Kala, Kabul - Pulikhomri - Mazar-i-Sharif.

3. Establishment of local battery and channel systems and switchboards for the following forty-six towns:

   Husikot, Sarai-Khoja, Karabagh, Gulbahar, Jabalusseraj, Charaki, Ferkai-askarie-dedadi, Skindand, Delaram, Islam Kala, Kishke-nakhod, Kalat, Chawkie-arghande, Maidan, Jalraiz, Sarcheshma, Behsood, Daizangi, Ghorband, Bolula, Duab, Baghlan-babrika, Samangan, Kholm, Sheberghan, Ancha, Sarepul, Doshi, Puse-alam, Khost, Jaji, Urgoon, Sarobi, Laghran, Pule-daroonta, Daka, Torkham, Chelsutoon, Saidabad, Vardak, Bamejan, Faizabad, Khanabad, Kalai-Naw. Spinboldak, Balamurghab.

4. Supplying transport (trucks, jeeps, motorcycles) for the maintenance of telephone and telegraph lines.

C. Wireless.

1. Installation of eight large and small wireless stations in the following places:

   Kabul, Gardez, Kandahar, Farah, Pulekhomri, Kundus, Badakhashan, Jalalabad.

2. Purchase of three mobile wireless units.

D. Miscellaneous

1. Purchase of equipment for a complete workshop and central laboratory in Kabul.
2. Purchase of equipment for the Kabul Post Office.
3. Purchase of air navigational aid equipment (VOR)
4. Purchase of teleprinter equipment for telegraph offices in

   Kabul, Kandahar, Ghazni, Gardes, Mazar-i-Sharif, Baghlan, Kunduz, Herat, Torkham, Jalalabad, Andkhoi, Maimana, etc.

Year	Afghanis	Rupees	Dollars
1335	5,626,355.00	50,000.00	737,962.70
1336	5,323,305.00	50,000.00	871,994.95
1337	5,962,965.00	50,000.00	1,138,031.20
1338	5,108,660.00	50,000.00	1,129,575.93
1339	5,511,375.00	50,000.00	1,095,483.45
	27,537,660.00	250,000.00	4,973,048.25

Total expenses converted into Afghanis.

1335	1336	1337	1338	1339
22,784,099	23,200,202	28,222,096	28,196,572	27,908,914

Programme for the Development of the Afghan Meterological Institute

Another most important element in the implementation of the economic plan and the development of the economy of the country, especially agriculture and civil aviation, is a meterological service. It also plays an important role in international co-operation. Therefore, it is important to organize and strengthen the meterological installations of the country. The following suggestions and proposals are made to organize and strengthen the meterological services.

1. Since local air services have already commenced, it is essential that the Meterological Institute set up necessary stations for the airports of Kabul, Mazar-i-Sharif, Herat, Maimana, Kandahar and Jalalabad. These stations must possess weather forecast equipment. Furthermore, it is necessary to establish second and third class observatories in towns such as Faizabad, Baghlan, Charikar, Kundus, BaMurghab, Dawlatabad, Obi, Chahansoor, Grishk, Mukur, Ghazni, Gardez, Paghman, Khost and others. With the help of these stations necessary information of weather conditions affecting aviation, agriculture and dam construction will be collected. Naturally, such information will make it possible to prevent much loss, both physical and financial, and much useless expenditure.

2. According to the international agreement published by WMO (No. 45-19 R.P.) Afghanistan should have two central observatories, one in Kabul and one in Kandahar. These oberservatories must be equipped with radio sonde equipment, performing two ascents per day. In addition, one station in Jalalabad which will perform four pilot ascents per day and two ordinary stations in Mazar and Herat are necessary.

On the basis of the above mentioned requirements, this Five Year Plan for the development and organization of the meterological service in the country is recommended in accordance with practical and financial capabilities.

A. Projects which must be initiated and completed during the five year period:

1. Establishment of at least 20 oberservatories.
2. Establishment of at least 5 pilot baloon stations.
3. Establishment of at least 2 radio sonde stations.
4. Construction of a number of laboratories, workshops, depots etc.
5. Provision of vehicles required for supervision of the stations.
6. Preparation of the two forecast stations.

B. These projects will be implemented during the five year period in the following order:

1. 1335 - Establishment of the two main oberservatories in Kabul and Kandahar: construction and equipment of the buildings, central laboratories, libraries, etc.

2. 1336 - Establishment of the following second class stations in Herat, Mazar, Jalalabad, Gardez and Ghazni. Establishment of radio sonde and pilot baloon stations in Kabul and Kandahar and forecast services in these two stations.

3. 1337 - Establishment of radio sonde and pilot baloon stations in Herat and Mazar. Provision of an electric workshop and purchase of a vehicle.

4. 1338 - Completion of the 20 third class observatories. Establishment of a sounding station in Jalalabad with baloons, and procurement of equipment for its workshop and depot.

5. 1339 - Assembly of the second radio sonde station and supply of the equipment. Purchase of a vehicle for supervision of stations and to serve as a mobile workshop.

Cost of Implementing the Five Year Plan for the Development of the Meterological Institute

Note: Since some of the requirements, such as tables, chairs and other office equipment for the Meterological Institute can be produced domestically, the project should be calculated to show both Afghani and dollar expenditures.

A. The approximate cost of the necessary furniture, according to the attached list No. 2 for the radio sonde stations has been estimated at 18,000 afghanis plus $ 200. For the second class station it has been estimated as 11,000 afghanis plus $ 200, and for the ordinary stations 5,000 afghanis. Therefore, the budget for the furniture necessary for all the stations is as follows:

Type of Station	Number	Cost of Station $	Cost of Station Afs.	Total Cost $	Total Cost Afs.
First class with sounding	2	200	18,000	400	36,000
Second class	3	200	11,000	600	33,000
Third class	15	-	5,000	-	75,000
				1,000	144,000

Therefore, for this purpose the total cost for the next five years will be as follows:

Year	Dollars	Afghanis
1335	400	47,000
1336	400	54,000
1337	200	37,000
1338	-	7,000
1339	will be estimated according to necessity	

Purchase of Equipment:

The equipment necessary for the first and second class stations is described in list no. 1. The cost of the radio sonde stations, which differ in price between various types and makes, must be added. The approximate price, however, is $ 11,000. The period of the equipment for a second class station is $ 4,500 plus 2,000 afghanis for miscellaneous equipment, and for a third class station $ 2,500 plus 1.800 afghanis. Therefore, the necessary budget for all the equipment for the first class stations is as follows:

Types of Station	Number	Cost of 1 Station $	Afs.	Cost of all Stations $	Afs.
First class station with radio sonde	2	15,500	2,000	31,000	4,000
Second Class	3	4,500	2,000	13,500	6,000

The cost of spare parts to replace damaged elements should be added. Hence, if in this list the value of the apparatus to be financed by the money credited to us by the UN Technical Assistance Programme through Russia is considered, it would amount to a total of $ 65,000 afghanis, and yearly expenses will be as follows:

Year	Dollars	Afghanis	Remarks
1335	20,000	10,000	-
1336	20,000	10,000	$ 11,000 cost of radio sonde
1337	7,000	20,000	$ 11,000 cost of radio sonde
1338	18,000	1,000	-
1339	Will be calculated at the beginning of the year (on the basis of the programme of 1338)		

The cost of the two cars for the year 1337 and 1339 will increase the budget by $ 4,000 for each of these years.

The cost of the two cars for the year 1337 and 1339 will increase the budget by $ 4,000 for each of these years.

At present there are enough employees in the central office to fill one bus. Therefore, it is necessary to buy a truck or

tus for the current year, 1335. The Afghan Transport Department refuses to provide transportation for our personnel. Consequently, they cannot reach the office on time.

Construction of Laboratories, Workshops, Depots and Provision of Necessary Equipment

Since the present meterological stations are suitably located it is only intended to extend the present buildings to provide laboratories, libraries, workshop, depots, etc. The cost, according to estimated made by the Ministry of Public Works, would be 7,983 afghanis. In addition, for the repair and construction of the field observing stations 100,000 afghanis is estimated. On the other hand, since the administrative section of the Meterological Department is responsible for construction, the required expenses are included in the budget of this section. The cost of furniture and supplies for the laboratories should be provided in advance. This is estimated to be 60,000 afghanis. Purchase of the workshop equipment and technical instruments for the laboratories, which should be ordered during the year 1335, is also estimated on the basis of the Five Year Plan. Attention must be paid to the fact that the laboratories should be completed before the arrival of the radio sonde sets. The expenditure for this department for five years is as follows:

Year	Dollar	Afghanis
1335	1,000	5,000 plus 798329.35
1336	3,000	5,000
1337	5,000	30,000
1338	5,000	20,000
1339	3,000	Will be estimated from the previous years.

Therefore, the budget for the purchasing the meterological equipment during the next five years will be as follows:

Year	Dollars	Afghanis
1335	21,400	62,000
1336	23,400	69,000
1337	16,000	86,000
1338	23,000	37,000
1339	Will be calculated according to the 1338 programme	

In this budget equipment to be imported is calculated without customs duty or any tax.

Cost of Operating the Stations

In this budget necessary materials, such as special meterological publications, books, graph paper, baloons, radio sonde sets, radio sonde meters, oxygen, etc., are considered. In list No. 3 the equipment for the operation of a radio sonde set is described. From this list one can see that the approximate cost of operating one radio sonde set is $ 51 per day is performed. The annual cost on this basis is $ 21,000. Due to lack of trained personnel, it is quite probably that up to 1339 not more than one ascent per day will be performed in the Kabul and Kandahar stations. Thus, the expenses for these two radio sonde stations would be:

Year	Dollars	Afghanis
1335	None	None
1336	21,000	None
1337	21,000	None
1338	42,000	None
1339	42,000	None

The cost of one ascent by a pilot baloon would be $ 1,-. The cost of thread, baloon, printing paper for a station performing four ascents per day would be $ 1,400 per year, and for a station performing three ascents per day would be $ 1,100 per year. Therefore the annual cost of the ascent pilot is as follows:

Year	Dollars	Afghanis
1335	2,800	None
1336	5,000	None
1337	6,400	None
1338	6,400	None
1339	6,400	None

Finally, the cost of graph paper and necessary cards for the forecast stations in Kabul and Kandahar will be $ 10,000 plus 20,000 Afghanis, and for the other stations will amount to $ 300 plus 5,000 Afghanis. Expenditures in the five year period will be as follows:

Year	Dollars	Afghanis
1335	2,100	35,000
1336	4,900	95,000
1337	7,700	115,000
1338	8,400	130,000
1339	8,400	130,000

Thus the five year expenditures for operating the stations will be as follows:

Year	Dollars	Afghanis
1335	4,900	35,000
1336	30,900	95,000
1337	35,100	115,000
1338	56,800	130,000
1339	56,800	130,000

Cost for transporting equipment from abroad:

At present it is difficult to estimate these expenditures exactly. However, 20 % of the purchase price of the equipment will be a safe guess. Accordingly, the transport expenses for the next years should be as follows:

Year	Dollars
1335	5,200
1336	10,900
1337	10,200
1338	16,000
1339	13,800

Summary of Expenditures of the Technical Operations Department for Five Years

Year	Dollars	Afghanis
1335	31,500	97,000 plus 798,329
1336	65,200	164,000
1337	51,500	201,000
1338	95,800	167,000
1339	77,600	130,000 plus the expenditure estimated for the year 1340.

Although the above figures seem enormous, they are not adequate to cover all the expenses of this Institute and meet our international commitments. According to the International agreement, two ascents per day must be performed, but in this calculation the cost of only one ascent per day has been included.

If in the future, after the recruitment of technical personnel, it becomes possible to perform two ascents per day, $ 42,000 per year more will be required. In the financial budget, in addition to the cost of the technical department and the cost of equipment for the year 1335 for maintenance, repair and replacement of parts, a separate centre called CTH has been provided. The personnel for this centre are all technicians. This centre will control and manage the plans and projects of the observatories, order equipment, establish standards, distribute equipment and supervise the stations. It has been divided into different departments in order to establish lines of responsibility. The following departments are to be established in the year 1335 in order to train personnel to staff these branches in the future:

1. Equipment distribution centre
2. Technical department

The main central depot, as well as all the other field depots comes under the first department, while the laboratory, workshop for clock repairs, electronic workshop and mechanical workshop come under the second department.

Since a personnel director is rarely a technician, it is necessary that these departments be separated from the other

departments and be supervised by qualified technical men. Workshop supervisors and laboratory directors must also be technicians. The duty of the Distribution Department is to maintain distribution and keep the inventory of the equipment. The duty of the Technical Department is to order and inspect equipment, train technicians, construct and supervise stations, print and prepare the cards necessary for the forecast stations, and prepare and produce the budgets of the stations.

Note: These two departments are not separated from the other departments. There will always be close cooperation among all departments in order that urgent problems may be solved promptly.

In the fields of climatology and forecast there will not be any noticeable change in the next years. In the climatology department only the training centre will be fully activiated. The people selected for training will be students from the 9th grade 12th grade (baccalaureate) and college graduates. Furthermore, the top two students in each class, after completion of their studies abroad, will be assigned, following a short training period as chiefs of the forecast stations and of the climatology and other departments. Therefore, the five year training programme of the students will be as follows:

Year	No. of Observers	No. of Forecasters	Technicians
1335	25 - 30	At the beginning 8 students from the senior class of the college and 12 students from the first year class	8
1336	25 - 30	Senior college students will finish their studies and will be sent abroad to study radio engineering	
1337	25 - 30		
1338	25 - 30		
1339	25 - 30		

From the above table one can see that in the year 1335 the graduates of the observing course will begin to work and in the year 1336 two forecast stations will begin to function, provided that 8 of the 12th grade students pass their exami-

students will be provided and two promising students will be sent abroad for practical training in order to start the first radio sonde station in the year 1337. Since radio sonde is an important field, it is necessary that in 1335 at least two students who finish their preliminary studies here be awarded scholarships by WMO. Similarly, opportunity should be given for intelligent students of the related branches, technical departments and others to go abroad for practical training. Anyhow, the Ministry of Education will help the Meterological Institute in this respect and should make necessary arrangements to send two students abroad every year after the second year of this plan in order to train personnel to be office heads and replace foreign technicians.

Expenditures of the Meterological Institute

(in millions of Dollars)

	1335	1336	1337	1338	1339	Total
Furniture & Stations	.004	.0004	.0002	-	-	.0010
Station	.0082	-	-	-	-	.0082
Station	.0020	.0040	.0070	.0180	.0220	.1070
Laboratory Equipment	.0010	.0020	.0050	.0050	.0030	.0160
Materials	0.214	.0234	.0016	.0230	-	.0794
Budget for the operation of the stations	.0210	.0210	.0420	.0420	-	.1260
Budget for sounding pilot	.0028	.0050	.0064	.0064	.0064	.0270
Forecast cords	.0021	.0049	.0077	.0084	.0084	.3150
Budget for the operation of the stations	.0049	.0309	.0351	.0568	.0568	.1845
Transportation cost	.0052	.0109	.0902	.0160	.0138	.1361
Technical department	.0315	.0652	.0515	.958	.0776	.3216

Expenditures of the Meterological Institute

(in millions of afghanis)

4.632	4.747	5.177	6.326	6.605	26.487
3.914	4.124	4.995	5.293	3.807	-
8.546	8.871	10.172	11.619	10.412	

III - SOCIAL SERVICES

Education Section

INTRODUCTION

In order to enlighten the masses of the country and to awaken them to their duties and obligations towards their homeland, as to assist in the task of developing latent resources of the country it has been found necessary to repare a comprehensive Five Year Economic Development Plan for the whole country. It is a well known fact that the main purpose of planning is to facilitate control of change, since development, in the true sense of the word, is a form of change for the better. To make this change really so it must be brought about methodically and under a prearranged plan, that all efforts and endeavours may be coordinated and changed for the attainment of the set goal, otherwise it will be spasmed and haphazard, and may even end in confusion and failure.

It is true that the basic needs of a contented an progressed society is improvement of the economic status of the individual and of the nation as a whole. But such improvement cannot be achieved to the full unless the people themselves are enlightened and conscious of their needs, responsibilities and duties. This consciousness can only be brought about through formed and well-regulated system of education. It will, therefore, be seen that economic improvement and improvement of education are interdependent and must progress together as two wheels of a cart. This fact, must, therefore, be kept in view while studying the Five Year Development Plan of the Ministry of Education, because the Plan of the Ministry is not a separate entity in itself, but has been drawn up with an eye to effectively coordinating it with the medical, agricultural,

economic, industrial and other development plans to form a well-knit fabric of economic development in Afghanistan.

The Ministry of education fully realizes that unless the majority of the people are literate and well-prepared for reforms it will not be possible to achieve tangible results from any development plans, nor would such plans be effectively coordinated into a harmonious and practicable whole without an education, or at least literate citizenry. Again, unless skilled labour technicians are available the various development plans needing their services would hardly progress beyond the paper stage. It is, therefore, imperative to give secondary and vocational education the needed impetus for the creation of a reservoir of skilled and semi skilled labour from which workers could be drawn for the implementation other measures for reforms.

It is, therefore, obvious that since the success of the overa Development Plan devolves to a larger extent upon the outcome of the efforts of the Ministry of Education and the implementation of its plans, it is necessary to bring about an effective cohesion and harmony between it and the Plans of other Ministries.

Before dealing with the details of the Plan itself, it will not be out of place to mention here the factors which contribute to its success. These are:

1. Strict control and supervision, at every step, under a set and welltimed programme.
2. Complete statistical data concerning future needs.
3. Financial commitments; and
4. Cooperation of all classes of the people and institutions especially that of teachers.

A Study of the following pages would show in drawing up the Plan the Ministry of Education has tried, as far as humanly possible, to foresee all these requirements. Other which hold great importance for the success of the Plan are:

1. Changes in the teaching programmes to make them more functional;
2. Procurement of more and better teaching equipment and text books

3. Procurement of suitable and well-trained teacher,
4. Construction of suitable school buildings.
5. Provision of facilities for educational research; and
6. Popularisation of the system of Community Development.

In the next few pages will be found details of development of plans for education which, if fully implemented, would go a long way in making success of the Five Year Economic Development Plan of Afghanistan, especially that of Education.

Chapter I

During the last few years such necessary reforms as revision of teaching programmes and textbooks, the setting up a well-defined target for primary education and its aims and objects have already been carried out. During the next five years reforms in primary education, which will have to be carried out under this plan, may be divided into two categories.

1. To meet deficiencies which could not met before and
2. To expand educational facilities; increase number of schools and to impart a more functional character to the system of elementary education.

Meeting Deficiencies:

A. Of School Buildings. Most of our Primary schools are without permanent buildings of their own. 171 of our present schools do not possess buildings of their own. It is seen that the number of 6-Grade Primary schools, which are separately run and do not form part of Secondary and Middle Schools, is 306, out of which only 91 have permanent buildings of their own. In the provinces construction of school buildings has not been handled methodicially and with due regard to their proportions. A glance at the following table would show that while in some provinces the number of permanent school buildings is large, in others too small:

Provinces	Number of Schools	Permanently housed	Without Permanent Buildings
Kabul City	18	9	9
Kabul Province	40	19	21
Mazar-i-Sharif	30	22	8
Kandahar	25	12	13
Herat	37	18	19
Kataghan	26	7	19
Eastern Province	35	8	27
Southern Province	23	5	18
Pervan	18	5	13
Ghazni	13	4	9
Farrah	11	4	7
Maimana	13	10	3
Badakhshan	6	4	2

The following recommendations are therefore made for the completation of school buildings:

1. Even if some of the non-permanent buildings are, for the time being, counted as permanent ones, still one hundred and seventy new schools remain without buildings of their own. To construct so many buildings (in addition to buildings for new schools in five years is difficult. It is, therefore, recommended that new buildings should be constructed, according to the annual construction programme of durable material and covered with alvanized iron sheets.

2. The number of new buildings to be constructed for such schools in the provinces should be set by the Ministry of Education on an annual basis. More emphasize should be laid upon those provinces which possess a lesser number of permanent buildings for schools.

3. One million afghanis should be sanctioned for each school building. They should be constructed of durable material and covered with gulvanised iron sheeting.

4. Buildings should be constructed according to modern plans, either by contracts given to foreign construction companies or power may be vested in competent authorities to accomplish the task with a free hand. In this way the work of construction will be completed sooner and without loss of time.

5. Since school buildings play an important role in child education by influencing them psychologically, therefore efforts should made to build them sooner and on correct lines.

It has, therefore, been estimated that fifty million afghanis will be needed for the construction of new schools every year.

B. Introduction of Trades in Primary Schools

Till today, elementary school children used to receive theoretical training only, and primary-passed students were able to write, read, and possess an elementary knowledge about the theology, arithmetic, history and geography. After passing the 6th grade some of the students enroll in Middle, Secondary and Vocational schools, and others quite schooling to take up struggles of everyday life. The second category of students are, obviously, less successful in life since they stay in school til the age of nearly 14 without having learned any useful trade. To remove this drawback the Ministry of Education must, first of all, strengthen the teaching of trades and agriculture in all schools. Secondly, the Ministry should locally followed trades as weaving, carpentry, glazing, leather and metal-working, etc. to the teaching programmes of a certain number of elementary schools located in areas where such trades are generally followed. In this way school life will, on the one hand, become more interesting and absorbing for children, and on the other trades and professions will develop and improve so that those primary-passed students who cannot or do not continue their education should still prove useful to the economic development plans.

Therefore, inclusion of locally followed trades would not only help in creating a functional system of primary education, but should, however, be gradual, in the manner that first of all certain trades, followed in that particular region, should be introduced in local schools on an experimental basis. Simple indigenous tools and local teachers should at first be used, and then gradually developed and improved according to the results observable. The estimated cost of materials, tools and teachers for each school has been set at Afghanis 10,000. Since two schools in each province will be used for experiments, therefore each province will need afghanis 20,000 for the 13 major provinces and administrative sub-divisions in the country will require afghanis 260,000 during the first year. During the second year the number of such schools in each province

will be increased to our schools, i.e. 52 schools in the 13 provinces and administrative sub-diversions, at a total cost of afghanis 520,000.

In the third year the number of schools in each province will be increased to 6 or 78 schools, at a cost of Afghanis 780,000. In the fourth year 8 schools per province will be brought under the plan, at a cost of Afghanis 1,040,000 and in the fifth year 10 schools in each province will be dealt with a cost of Afghanis 1,300,000. In each school one or two workrooms for one or two local trades may be provided for students to work in during set hours. Agriculture should, however, be employed to a greater extent and grounds attached to all such schools may be placed at the disposal of the teachers and students to cultivate and use the crops raised thereon. Such an arrangement would train students in improved methods of agriculture. This scheme would be applied to all schools within a period of five years.

Expansion of Education and Increase in the Number of Schools

A. Sixth-Grade Primary Schools have increased in number much more than all other categories of schools, and today, in addition to elementary classes forming part of Middle schools and Lycees. 306 separate 6-Grade Primary schools and 364 village schools exist. This number, though substantial in itself, does not meet the full needs of the population and the principle of compulsory primary education for all. According to the estimate of the Ministry of Education one primary school should be provided for every 600 families or approximately 3,300 elementary schools in all, since for each family consisting of 6 members the school established would be for (600 x 6) 3,600 persons, and for 12 million persons the number of primary schools would be 3,332. But the resources of the Ministry of Education insofar as procurement of teachers, buildings, textbooks and etc. are concerned is too limited to allow it to launch a programme of such huge propertions. Therefore provisions made in the Five Year Development Plan in this regard call for the establishment of 20 primary schools every year during the first three years of the Plan, and 50 schools per year during the remaining two years when the new Teacher Training schools will return out graduates. These schools will be established in well-populated areas where the

inhabitants feel a necessaty for such schools and other conditions merit such a course of action. Expenses of running a Regular primary school are as under:

1-Grade schools	Afs. 16,842	For 20 such schools	Afs. 336,840
2-Grade schools	Afs. 24,608	For 20 such schools	Afs. 492,160
3-Grade schools	Afs. 30,157	For 20 such schools	Afs. 603,140
4-Grade schools	Afs. 35,772	For 20 such schools	Afs. 715,440
5-Grade schools	Afs. 46,615	For 20 such schools	Afs. 932,300
6-Grade schools	Afs. 52,909	For 20 such schools	Afs.1,058,180

Under this plan 160 primary schools will be established within the next five years, 20 of which will be 6-Grade schools, 40 5-Grade schools, 60 4-Grade schools, and so on. According to the above estimates, running expenses of such schools during the next five years will be met out of the budget of the Ministry of Education as follows:

First year 20 schools	Afs. 336,840
Second year 40 schools, 20 of them 2-Grade schools	Afs. 829,000
Third year 60 schools, 20 of them 3-Grade schools	Afs.1432,140
Fourth year 110 schools,20 of them 4-Grade schools	Afs.2642,840
Fifth year 160 schools, 20 of them 5-Grade schools	Afs.4070,400

After five years the school budgets will be increased according to the rise in Classes. The above estimates include salary of teachers and cost of teaching equipment, but it does not include cost of school buildings which would, till the procurement of permanent buildings, be housed in rented premises at the rate of 1,000 afghanis per school per month, or 240,000 afghanis per annum.

B. Village Schools.

In far flung areas of the country, where no regular school exist within a distance of 5 kilometers of a place Village schools are established. Expenses connected with the running of a single village school amounts to 7,000 afghanis per annum. 364 such schools have been opened in villages and rural areas to date. Although such schools ought to have been opened in sparsely populated areas, or where the population is scattered, but since the well-populated area conforming to all conditions

necessary for the establishment of regular schools are not yet provided with such schools, therefore village schools have thus far been established there.
But as soon as the plan for increasing the number of regular schools is taken up we shall be able to easily convert them into regular primary schools. According to plans 500 Village schools, at the rate of 100 schools per year will be established within the next five years. Therefore, the cost of opening 100 Village schools, Afghanis 7,000 per school, would amount to:

First year	Afghanis	700,000 -	100 schools
Second year	Afghanis	1,400,000 -	200 schools
Third year	Afghanis	2,100,000 -	300 schools
Fourth year	Afghanis	2,800,000 -	400 schools
Fifth year	Afghanis	3,500,000 -	500 schools

C. Courses of Adult Education.

Since 90 % of the population is illiterate, therefore, the fight against illiteracy must be carried on by other means besides schools. Adult Education Courses from one of the effectual methods of combating it. In the Five Year Plan arrangements have been made to launch at least 50 courses in each province every year. The annual expenses for each course have been calculated at Afghanis 3,000. Therefore,

Expenses during the First Year	Afs.	150,000
Expenses during the Second Year	Afs.	300,000
Expenses during the Third Year	Afs.	450,000
Expenses during the Fourth Year	Afs.	600,000
Expenses during the Fifth Year	Afs.	750,000

D. Audio Visual Education.

In order to employ all modern methods for child education and enlightenment of the masses, the Ministry of Education has established a Department of Audio-Visual Instructions which has been in existence two years. Two mobile cinema units are being used in exhibiting educational and medical films in all provinces and schools. Such films are shown during the daytime and to the local inhabitants at night. These films shows have created favourable impressions upon the audiences, especially

upon the inhabitants. For the further expansion of this branch of education it is proposed to procure two additional cinevans, equipped with cine-projectors and film strips, every year. This would cost $ 3,000 and Afghanis 200,000 every year. These amounts will have to be granted for the expansion of this Department every year for five years.

Total Expenditures in Five Years:

FIRST YEAR

Head	Amounts Afghanis	Dollars
1. Inclusion of trades in schools	260,000	
2. New Primary schools	336,840	
3. New Village schools	700,000	
4. Adult Education Courses	150,000	
5. Audio-Visual Instructions	200,000	3,000

SECOND YEAR

1. Inclusion of trades in schools	520,000	
2. New Primary schools	829,000	
3. New Village schools	1,400,000	
4. Adult Education Courses	200,000	
5. Audio-Visula Instructions	200,000	3,000

THIRD YEAR

1. Inclusion of trades in schools	780,000	
2. New Primary schools	1,432,140	
3. New Village schools	2,100,000	
4. Adult Education Courses	450,000	
5. Audio-Visual Instructions	200,000	3,000

FOURTH YEAR

1. Inclusion of trades in schools	1,040,000	
2. New Primary schools	2,642,840	
3. New Village schools	2,800,000	
4. Adult Education Courses	600,000	
5. Audio-Visual Instructions	200,000	3,000

FIFTH YEAR

	Afghanis	Dollars
1. Inclusion of trades in schools	1,300,000	
2. New Primary schools	4,070,400	
3. New Village schools	3,500,000	
4. Adult Education Courses	750,000	
5. Audio-Visula Instructions	200,000	3,000

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CHAPTER II

FIVE-YEAR DEVELOPMENT PLAN FOR MIDDLE AND SECONDARY EDUCATION

Middle schools and Lycees prepare students for higher education in Vocational school and Faculties within and without the country. Another target before these schools is the enlightenment of boy and girl students. The teaching programmes of these schools should therefore, beprepared in such a way as to make both of the above objectives realizable.

At the moment Afghanistan possesses 27 middle and secondary schools - 23 for boys and 4 for girls. Out of the schools for boys 14 are called 'Lycees', 8 of which have been turning out graduates of the Baccalaureate standard since some years. These are: Habibia, Esteklal, Nedjat, Ghazi, Ahmad Shah Baba, Mr Wais Baba, Sultan Ghyasuddin and Perwan.

Middle schools, graduates of which either enroll in vocational schools or take up the tasks of everyday life, are spread over the country in the following manner:

On Middle school at Ghazni (called Sanaye Middle School); one each in Farrah, Maimanah, Faizabad, Kundus, Khanabad, and Cardez; and two Middle schools with hostels at Kabul (by the name of Khushal Khan and Rehman Baba Middle Schools).

Girls Schools. Middle and secondary schools for girls, where future mothers are, in reality, trained are unfortunately too

small in number. At the moment there are only four girls schools in the whole country which impart education higher than the primary term. Three of these are in Kabul and the fourth in Herat (established in 1952-53, with 9 Grades). Out of the three girls schools in the capital two of them are Lycees (the Malalai and Zarghuna), the first of which has turned out graduates of the 11th and 12th Classes for the last 10 years and the second presented, for the first time, graduates of the Housekeeping Course during this year (1955). The third girls school, called 'Rabia-Balkhi' is a Middle school to which the 7th Grade was added during this year (1955).

The Present Position of Middle and Secondary Schools.

1. Buildings. Our Middle and Secondary schools usually have elementary classes attached to them, and that is why the number of students and classes are increasing year by year. At present more than eighteen thousand boy and girl students receive middle and secondary education in schools housed in comparatively modern buildings. But the number of such schools is quite inadequate for the number of students who enroll every year. Even now in many schools lack of space has forced us either to use double-shift system or to provide annexes to the schools. In the provinces, too, this difficulty is being faced.

2. Teaching Equipment.

Insofar as financial resources of the Ministry of Education permit, a part of the needs of students for teaching equipment is distributed among them under a set quota, free of cost.

3. Libraries and Laboratories.

Although steps had been taken, since the very beginning of the Lycees, to equip them with libraries and laboratories, yet excepting a few such educational institutions in Kabul and Herat, the rest are unfortunately still without well-equipped libraries and laboratories. At present five Lycees, namely Habibia, Estiklal, Nedjat, Ghazi and Malalai, all located in the capital are more or less well equipped with laboratory apparatus. But some of them have been unable, due to lack of space to arrange them in a suitable way. The five Lycees in Kabul and the Sultan Ghyasuddin Lycee in Herat have libraries

of their own, but the rest of the middle schools and Lycees do not possess any.

4. Teachers.

Although graduates of the local Darul-Mo-Allameins and local and foreign Faculties have been able, to some extent, to meet the requirements of the above institutions, yet the increasing number of students and Classes in the primary and middle schools terms, coupled with the lack of sufficient number of science graduates have created a shortage of science teachers, and that as why foreign teachers are still employed as such.

A study of the existing middle and secondary schools by the planning commissions shows that the foremost task to be accomplished during the next five years is to remove existing defects in schools since laboratory equipment, tools and implements are necessary adjuncts of technical training and practical work. It must also be borne in mind that by removing defects in middle and secondary schools, these institutions would be in fact strengthened. Therefore, necessary funds have been allotted for repairs to buildings, completion of laboratories, etc.

Development of middle and secondary schools, which would in fact produce the necessary workers for the implementation of the economic development plans of the country should, it is recommended, take place on the following three lines:

1. By removing defects found in buildings, laboratories, libraries, teaching equipment, etc.
2. Normal development: that is, as soon as environmental needs make it feasible to convert a primary school into a middle school, and a middle school into a Lycee, the Ministry of Education should be prepared for such conversions during the Five Year Development Plan so that three each of such schools may be converted every year.
3. Conversion of provincial day-Lycees into boarding and day-Lycees so that more students are able to enroll, and thus an increase may be achieved in the number of 9th passed students after 3 years and in 12th passed students after six years. This arrangement is advocated because provincial lycees, like the lycees in the capital enroll only those students who reside near and around the lycee and can attend classes every day. Therefore, to meet the possibility of intelligent students becoming deprived of higher education due to the remoteness of their places of residence from schools, the arrangement is recommended.

During the next five years, in addition to the usual number of day-scholars, 300 sixth passed students of outstanding ability residing in far-off places will be enrolled as boarding scholars in provincial lycees in each province. By this means not only would intelligent students get a change for higher studies, but the number of 12th passed students would also increase to an appreciable extent. The Ministry of Education has therefore arranged to convert five lycees into day-boarding lycees within the next five years, with provisions for 100 boarding and 50 day scholars every year. The annual expenses of this programme have been estimated at:

Salaries and Expenditures

During the First Year:	Afghanis 1,230,036	$	20,240
During the Second Year:	Afghanis 1,630,390	$	20,240
During the Third Year:	Afghanis 1,695,181	$	12,600
During the Fourth Year:	Afghanis 1,738,634	$	12,600
During the Fifth Year:	Afghanis 2,050,359	$	12,600
During the Sixth Year:	Afghanis 2,411,860	$	12,600

At the end of the First Year Plan the number of middle and secondary schools would be doubled and that of students would probably increase to more than 30,000. This would not only increase the number of schools, but would also maintain a correct ratio between the Primary and Secondary levels, since the number of students of the latter category would increase and by the end of five years we shall be able to triple the present number of graduates.

Expenses of the construction, repair, and completion of school buildings, laboratories, and workshops for middle and secondary should have been incorporated in the general estimates of constructions of the Ministry of Education. Below are estimates of foreign currency expenses concerning procurement of laboratory equipment, supplies and teaching materials for the lycees and secondary schools.

Foreign Currency expenses over a period of five years:

Central and Provincial Lycees	Completion of Libraries and Laboratories, etc.
1. Habibia	$ 5,000
2. Esteklal	5,000
3. Nedjat	5,000
4. Ghazi	5,000
5. Malalai	5,000
6. Zarghuna	7,000
7. Rabia Balkhy School	7,000
8. Navay-Kabul	7,000
9. Charikar	7,000
10. Baghlan	7,000
11. Chanabad Middle School	7,000
12. Faizabad Middle School	7,000
13. Mazar-i-Sharif Lycee	7,000
14. Mairana Middle School	7,000
15. Sultan Ghyasuddin and Jamai Lycees, Herat	14,000
16. Farrah Middle School	7,000
17. Grishk Lycee	7,000
18. Ahmad Shah Baba and Mir Wais Lycees	14,000
19, Sanaye Middle School, Ghazni	7,000
20. Abdul Haye Gardezi Lycee	7,000
21. Nangarhar Lycee, Eastern Province	7,000
22. Tigree Middle School, Laghman	7,000
23. Kundus Middle School	7,000
24. Khushal Khan Middle School	7,000
25. Rahman Baba Middle School	7,000
Total ....$	179,000

VOCATIONAL EDUCATION

Scientific and technological progress has, as everybody knows played an important role in the lives of nations, while man's modern needs are increasing from day to day. Vocational education therefore, teaches students how and by what means to produce these. In other countries vocational education has won a high place for itself an in some countries it has become an integral part of general education. In Afghanistan these schools have done great service in training technical personnel in various fields. Their expansion is considered an important need of the Ministry of Education. Such schools can be divided into three categories:

1. Schools which train students for a certain profession; such as the Primary Teacher's Training School, Secondary Teachers Training Schools, the School of Commerce, and the Academy of Theological Sciences.

2. Academies which aim at training religious scholars, and those who learn the Holy Koran by heart. Their teaching programmes are generally identical. These are:

The Arabic Academy, Kabul run at Government expense.
The 'Darul-Hiffaz', Kabul run at Government expense.
The Najmul-Madaris, Eastern Province, run at Government expense
The Madressah-Assadiyya, at Mazar-i-Sharif, run by the Municipality.
The Zahir-Schahi Madressah, in Maimana, run by the Government
The Darul-Hiffaz, in Maimana, run by the Government
The Madressah Fakrul-Madaris, at Herat, run by the Government
The Darul-Hiffaz, at Herat, run by the Government

3. Technological schools, such as the School of Agriculture, the Afghan Institute of Technology, the Mechanical School, the Industrial School at Kabul, and the Industrial School at Kandahar.

The Present Situation in Vocational Schools.

Although those schools have been training technical personnel for many years, the basic difficulties faced by them are summarized below:

1. Buildings - Vocational schools are generally without permanent buildings.
2. Laboratories are generally incomplete.
3. Workshops are grounds for experimental work either do not exist or are incomplete.
4. Except in the case of the Afghan Institute of Technology and the Darul-Mo'Allamein which have a few thousand books, libraries in other vocational schools are generally defective and lack technical and vocational books.

Development and the Future of Vocational Schools.

For the development of vocational schools, the Ministry of Education has two points in view:

1. Needs of Government organization during the next five years.
2. Development of these institutions from the standpoint of the Development Plan of the Ministry of Education. This develop-

ment aims at training a certain number of technical personnel who will be needed at the end of the Five Year Development Plan or maybe during this time. Some of them would also pursue free trade or run private workshops. This Plan is divided into two parts.

a. Improvement of existing vocational schools and
b. Establishment of new ones.

Improvement of Existing Vocational Schools.

Improvements to be made in these schools are mainly those which relate to buildings, and teaching equipment such as laboratories, libraries, etc. A survey of the number of students in these schools shows that up to 1956 there does not exist any room for new expansion in them. It has, therefore, been left for later years, when under the Five Year Plan the number of students would also increase.

1. Schools to be developed.

The School of Agriculture. Observations made by local and foreign experts show that Afghanistan is an agricultural country, and therefore development of agriculture forms one of its most important needs for economic development. The school of Agriculture has, so far, proved insufficient for the needs of the country, and therefore, its expansion is one of the foremost duties of the Ministry of Education. During the past two years the Ministry of Education drew up a new plan for this school with the assistance of local and foreign experts. Briefly, agricultural training depends upon the following three bases:

a) Utilization of existing facilities (that is facilities utilised till now).
b) Better use of existing means (how to derive better results from present means).
c) How to teach better methods to the people.

Arrangements on the above lines have been made to enable future graduates of the School to serve the following purposes.

a) As teacher of agriculture in Primary schools in accordance with the plan for elementary education.
b) As research workers in laboraties.
c) As Agricultural Supervisors in villages, to guide villagers in better methods of agriculture.

Other factors to be kept in view are that after 5 or 6 years the teaching staff of the School of Agriculture should, as far as possible, consist of Afghans. Such a change is doubtlessly a matter which cannot be achieved in a hurry and must perforce be accomplished gradually. But in order to insure success for this idea, we must lay pur plans well and maintain a steady progress over the whole ground.

In the following lines will be found details of the future plans of education and needs of the country:

a) Number of Students:

Needed by the Ministry of Agriculture and the Helmand Valley Authority.

As a result of discussions with the representatives of the Ministry of Agriculture, the total needs of the Ministry and the NVA were set at:

Agriculture	60 persons annually
Veterinary	30 persons annually (10 of them for the Ministry of Defence)
Forestry	20 persons annually
For the Faculty of Agriculture	30 persons annually
For the Faculty of Veterinary Sciences	20 persons annually

According to the above estimates the present School of Agriculture must provide 160 graduates every year.

Statistics showing number of students in this school, along with increases which may be made in the future, are as follows:

Year	X	XI	XII	Total	Number of Sections
	Classes				
1956	100	38	28	166	5
1957	200	90	30	320	13
1958	200	180	80	460	17
1959	200	180	162	542	21
1960	200	180	162	542	21

b) Buildings:

The present building of the School is not a suitable and permanent building. Its dormitories are practically sunless resulting in students catching cold in winter and therefore hygienically quite unfit for habitation. New buildings for the School are therefore necessary and must be provided in the following manner:

c) Agricultural Farm:

A 200 Jarebe piece of land must be provided for the farm.

d) Machinery and agricultural implements:

One Jeep, ca. Afghanis 60,000.

Tractors, tools for repairing agricultural machinery, agricultural handtools and implements, irrigation pumps; pumps; plow, chemical fertilizers, ca. Afghanis 40,000 and $ 8,000 annually.

e) Farm animals:

Afghanis 40,000 annually.

f) Salaries and Expenses:

	SALARIES		EXPENSES		
Year	Afghanis	Dollars	Afghanis	Dollars	Pound
1956	232,565	12,600	152,233	4,875	960
1957	360,090	56,400	1,860,181	11,440	
1958	343,000	73,200	2,199,493	14,640	
1959	366,335	90,000	2,452,287	14,690	
1960	364,335	90,000	2,452,287	14,690	

Details of salaries and expenses are as under:

1956 Salaries:

Local Teacher, 11	Afghanis	76,475
Officials, 13	"	67,290
Local employees, 29	"	73,800
Foreign employees, 3	$	12,600
Foreign employees, 1	Pounds	960
Extra-time wages of teachers	Afghanis	15,000
Expenditures	"	152,233 and $ 4,875

1957 Salaries:

Local teachers, 18	Afghanis	107,100
Officials, 13	"	67,290
Local employees, 44	"	131,700
Foreign employees, 13	$	56,400
Expenditures	Afghanis	1,860,181 and $11,440

1958 Salaries:

Local teachers, 24	Afghanis	138,250
Officials, 3	"	67,290
Local employees, 48	"	137,460
Foreign employees, 17	$	73,200
Expenditures	Afghanis	2,199,493 and $14,640

1959 Salaries:

Local teachers, 27	Afghanis 153,825
Officials, 13	" 67,290
Local employees, 52	" 143,220
Foreign employees, 21	$ 90,000
Expenditures.	Afghanis 2,452,287 and $ 14,960

1960 Salaries:

Local teachers, 27	Afghanis 153,825
Officials, 13	" 67,290
Local employees, 52	" 143,220
Foreign employees, 21	" 90,000
Expenditures	Afghanis 2,452,287 and $ 14,960

The Afghan Institute of Technology.

Expansion of industries in the country would demand the services of technical personnel. In the Afghan Institute of Technology theoretical and practical lessons both are given in correct proportion. In the workshops the student receives practical training, but his training is not meant to produce a trained mechanic of technician alone. On the countrary the object of practical training imparted in workshops is to enhance his knowledge of techniques and materials, and basic principles of technology. In other words, what he learns by theoretical lessons in the classroom, he sees done practically in the workshop.

During the three-year course th syllabus for the First Grade is identical, but in the later two years the students are divided into such sections as Technology, Electricity, Mechanics, Civil Engineering, Aeronautics, etc.

At the end of this three-year course a part of the students can employed in various industrial plans under the supervision of engineers.

A certain number of graduates can continue their training in the Faculty of Engineering. As pointed out above the students employed in industrial plants can serve as Technical Foreman and Instructors, since the Technical Foremen cannot serve as an Engineer because the latter can plan while the former cannot. But a Technical Foreman is better qualified than a mechanic or a repairer and possesses more experience. He can implement plans given to him by the engineer and can supervise its implementation. The needs of this School are as under:

a. Number of Students.

Annual needs of Ministries and Government Departments.

Ministry of Finance	50 persons
Ministry of Public Health	3 persons
Ministry of Mines and Industries	50 persons
Ministry of Public Works	30 persons
Helmand Valley Authority	2 persons
Faculty of Engineering	25 persons
Total	160 persons

In order to provide 160 graduates, it will be necessary to enroll 200 new students every year. According to the present number of students figures for the next five years will have to be:

Classes

Year	Xth	XIth	XIIth	Total	Sections
1956	100	33	42	175	7
1957	200	90	30	320	13
1958	200	180	80	460	17
1959	200	180	162	542	21
1960	200	180	162	542	21

b. Buildings:

The Institute has modern buildings, which are, however, still incomplete, and must therefore be gradually completed in the next few years. Other deficiences which must be removed are:

1. Completion of books for the library	$ 5,000	in 2 years
2. Machinery and Laboratories	30,000	
3. One Jeep	Afs. 60,000	During first year

c. Salaries and Expenditures

1956

Local teachers, 12	Afghanis	68,775
Officials, 13	"	68,490
Local employees, 45	"	108,900
Foreign employees	Dollars	40,800
Expenditures	Afghanis	271,425

Salaries and expenditures for the year 1957, 1958, 1959 and 1960 will be provided according to the estimates given for the

School of Agriculture, which may be found in preceding pages.

The Industrial (Arts) School, Kabul. Revival of this School has been frequently dicussed and many ecisions have been made in this regard. But unfortunately the fate of this School has, for one reason or another, always hung in the balance. The Arts School has originally established in 1930. By 1946 it possessed 10 Departments or Sections. But since then it has been steadily declining with the result that now it has only two Sections, Tailoring and Carpentry. It must be mentioned that the history of this School has been influenced by many factors which eventually brought it down to the stage where it is a school in name only. Revival of this School holds great importance for Afghan economy and industry and a final decision must therefore be reached regarding its future so that it may be established on a firm and stable footing. These schould consist of:

a. A decision about the trades which the country needs most, so that its graduated may not remain idle, and may either take up private practice or service in Government establishments.

b. In the beginning, if capable teachers are not found within the country, they should be imported from abroad.

c. The School should be equipped with a hostel, to enable procincial students to enroll in it.

To attain the above aims we must first meet the following needs:

The first step should be the establishment of the following Sections on a solid footing:

Year	Section	Number of Sections	Number of Students to a Section
1956	Carpentry, Tailoring, Bricklaying	3	10
1957	Carpentry, Tailoring, Bricklaying Drawing, Handicrafts, Miniature Work	5	13
1958	All of above, plus Knitting and Weaving	6	18
1959	All of above, plus Industrial Arts and Knitting and Weaving	8	27
1960	All of above, plus Carpet-making	8	27

CLASSES

Year	5th Prim.	6th Prim.	1st. Voc.	2nd. Voc.	3rd. Voc.	4th. Voc.	Total	Number of Boarders
1956	39	29	90	17	-	-	175	-
1957	-	35	130	81	16	-	262	-
1958	-	-	160	118	73	15	366	75
1959	-	-	190	145	107	65	507	100
1960	-	-	220	220	131	96	619	150

Buildings:

A site with open ground should be selected for this purpose, and first buildings should be put up for the above mentioned 8 sections, with provision for future expansion as and when necessary.

1) The school building, with workshop, warehouses and laboratories, etc.
2) Hostel to house 200 students.

Salaries and Expenditures:

SALARIES

Year	Afghanis	Rs	Dollars	Expenditures Afghanis
1956	257,405		4,200	139,068
1957	279,205		12,600	435,000
1958	399,825		16,800	575,000
1959	425,475	6,000 and	16,800	822,000
1960	463,175	6,000 and	16,800	1,430,000
Total	1,825,085	12,000	67,200	3,401,068

The Mechanical School of the Ministry of Education, Kabul though this School was established in 1957, yet the Ministry of Education has been unable so far to realize its hopes regarding this School. This has been due to many factors, some of which are mentioned in the following lines.

a. Lack of suitable buildings has been one of the stumbling blocks in the path of the School's expansion and development. Even though the foundation stone of the new premises for this School was laid near Aliabad in 1938, before it could be completed the Afghan Institute of Technology came into being and it was turned over to it, leaving the Mechanical School in the same position as before.

b. Since industrial plants in the country were of a prefatory nature and needed quickly trained personnel to run them, the period of training set for students was necessarily short, and had been adopted to meet the immediate needs of industrial organizations, with the result that the School's development was stunted and remained so until now.

c. If the ambitious programme drawn up for the School in the beginning had been implemented, lack of machinery, tools and local instructors would have proved insurmountable difficulties. That is why the school-term has remained short and its department of practical training have been limited.

d. Public interest in technical schools was lacking, and on the plans for the development and expansion of the School remained in abeyance.

These causes, and also absence of fields of employment for its graduates were the main factors which adversely affected a large part of the School's programme. But now when industrial plants and factories need better qualified technicians, tolls, machinery and material are readily procurable; and a number of local instructors are also available. It is possible for us to expand the School of the desired extent, and side with the training of comperatively low-cadere technicians for immediate needs (9th passed students) to turn out 12th passed students in accordance with the needs of industrial organizations for better qualified technicians. In this way we shall be able to remove the handicap imposed upon the School by the existance of training facilities up to only 9th Class, and would also succeed in ralizing our hopes for the expansion of the School to meet modern needs. The programme for the expansion of the School, as incorporated in the Five Year Development Plan, is briefly given below:

Figures Showing Number of Students and Training Sections:

Year	VII	VIII	IX	X	XI	XII	Total	Sections for Practical and Theoretical Training
1956	120	107	73	-	-	-	300	27
1957	160	120	100	40	-	-	420	30
1958	200	140	90	40	35	-	505	33
1959	200	180	120	40	35	30	605	36
1960	200	180	160	40	35	30	645	37

According to the figures given above, up to the year 1959 the School would produce a number of graduates of the 9th Class, and in 1960 and afterwards 120 graduates of the 9th and 30 graduates of the 12th Class, or 150 graduates every year, to meet the needs of the various Ministries and industrial organizations.

Sections of Scientific Training

According to the teaching programme of the Mechanical School its technical departments consist of:

1. Elementary Technology
2. Iron-Smithy
3. Modelling Carpentry
4. Automotive Repairs
5. Low Tension Electricity
6. High Tension Electricity
7. Plumbing
8. Welding
9. Tin-Smithy
10. Mechanics
11. Foundry Work
12. Tool-Making and Lathework

Throughout the 6-year term of the School the Technical Department for scientific training consist of the above 12 Sections year after year. Theoretical training is imparted in Classes.

Enrollment

Since training at the Mechanical School begins with the 7th Class and primary passed students are enrolled in its 1st Class, therefore to ensure that primary-passed provincial students also get a chance at enrolling in the School an arrangement has been made under which a part of the students are day-scholars and the rest are boarders. On the basis of figures for 1955, in 1960 the School will have 445 day scholars and 200 boarding students.

Buildings:

Since training in the Mechanical School is imparted with the use of machines, tools and other materials, the present building, which meet its needs, because it possesses neither buildings suitable for workshops nor classrooms nor warehouse for the storage of raw-materials and tools. This situation always has been a problem both to the instructors and Ministry of Education. It is, therefore, imperative to start building a new school on the lines recommended by experts and technical

instructors in 1957, which must be completed by 1960. The present site may either be turned over to some other institutions of the Ministry of Education, or it should be sold to some commercial organization. It is estimated that by followint the latter course three - fourth of the cost of new buildings will be met out of the sale price of present site. Furthermore, no facilities exist at present for the boarding scholars of the School who are shifted from here to there, like nomads, every now and then. Therefore, while building the newschool, provision must be made for boarders who would, by the year 1960, number 200.

Teachers and Administrative Personnel:

Since the number of students and training sections are increasing and would further increase, the number of teachers and administrative officials will have to be correspondingly increased.

Income Derived from Sale of School Products;

Although the real purpose behind the use of tools, machines and raw materials is training students, it has been found that school products fetch nearly Afghanis 100,000 into the coffer of the Government every Year. It is, therefore, abvious that when the number of students and machines increase, school products would also increase, with a corresponding rice in the sale of articles manufactured by students.

In view of the above recommendations for the expansion and development of the Mechanical School under the Five Year Plan, the following amounts will be required for purpose mentioned below.

Particulars	1956	1957	1958	1959	1960	Total
Salaries of Afs.	432,940	686,055	703,205	723,505	739,955	3285,660
teachers, £	9,180	3,240	4,320	5,520	5,520	27,780
officials and $	31,200	31,200	31,200	31,200	31,200	124,800
local and foreign employees						
Educational expenses of students, Afs. purchase of supplies	154,431	186,503	2067,918	2609,938	2650,858	10322648
Plating Machine £	-	5,000	5,000	5,000	5,000	20,000
lathes, planes, $ and drills, etc.	-	32,920	33,800	34,680	34,680	136,080

Separate appropriations have been made for buildings. Procurement of one motor car for training students in automotive repair will cost Afghanis 200,000.

Note:

A part of expenditures which have not been mentioned under 1956 will be met out of the central budget of the Ministry of Education, and has been incorporated in it.

According to these calculations the Mechanical School will, under the Five Year Plan (1956-1960) need a total amount of Afghanis 19,808,308, Pounds 47,760 and $ 260,880

Table showing total expenditure under the Five Year Plan

Name	Afghanis	Dollars	Pound Sterling.
School of Agriculture	11,186,806	422,535	960
Institute of Technology	10,819,598	440,860	-
Mechanical School	13,609,308	260,880	47,760
Industrial (Arts) School	5,296,153	88,200	12,000 rupees
Darul-Mo'Allameine at Kabul		25,000	-(100,000)
Ibn-Sina Junior College		40,000	-(100,000)
School of Commerce		15,000	-(100,000)
Darul-Mo'Allameins		166,920	-(15,492,036)
Mechanical School		361,910	-(21,892,300)
Total	40,911,865	1,821,305	£ 48,720 Rs.12,000

Schools Needing Improvement.

Under this category are placed those schools whicom from the points of view of students, do not need any special development. Salaries and expenditures relating to such schools are incorporated into the annual budget of the Ministry of Education. By taking into account changes occurring in exchange ratesand other general increases the budgets of these schools are generally on the scale of the budget for 1956. These schools are Darul Mo'Allameins at Kabul, Ibn-Sina Junior College, and the School of Commerce.

But insofar as completion of laboratories libraries and etc. are concerned, these schools are in need of improvements on the lines recommended below:

Darul-Mo'Allamein, Kabul.

(1) Buildings. Construction of a new hostel for 400 persons, Improvement of class-rooms, offices, workshops, etc.

(2) Completion of laboratories and workshops for practical training at a cost of $ 20,000.

(3) Establishment of library equipped with books suitable for a Teacher Training School of this kind, at an estimated cost of afghanis 100,000 and $ 5,000.

The Ibn-Sina Junior College.

This school has 800 students. It does not possess any hostel or a sufficient number of classrooms. Its laboratories and workshops are also incomplete. Therefore, attention will have to be paid to;

(1) Buildings,

(2) Completion of laboratories and workshops at $ 30,000

(3) Reorganization of the library on modern lines at $ 10,000

The School of Commerce.

This school has been established for the purpose of training students in Banking and Commerce. Its teaching Programme has been gradually changed and developed so that it is a Secondary School for economic and finance. Some of its graduates obtain employment in financial and economic organizations in the country, while others enroll in the Faculty of Law for higher studies. In order to develop its programme, the Ministry of

Education has been employing a number of teachers in this School over a period of five years. But lack of permanent buildings and means of training have greatly hampered the progress of this school.

(1) Since the very beginning, till now, this School has been shifted from place to place, since it had no building of its own. Therefore, the paramount need of this School is for permanent buildings.

Comments. Construction and repair of buildings will be undertaken out of funds provided under the Plan.

(2) Teaching equipment which must be imported from abroad, for instance Persian and Latin typewriting machines and equipment for a Model Office, etc. would require $ 5,000.

(3) Laboratories, $ 5,000

(4) Library, Afghanis 200,000 and $ 5,000.

(5) The School has a sufficient number of students and therefore needs no expansion. It must, however, be mentioned that the usual budget of this school would continue to be the same as that of the Year 1956. Normal increases will, of course be kept in view.

New Schools:

In addition to the improvement of existing schools mentioned in the preceding pages, the Ministry of Education contemplates setting up some new schools in the next five years. These will be two kinds:

(1) Teacher Training School for training teachers in accordance with the plans for primary education.

(2) Mechanical Schools to train technical personnel in various technological subjects.

The Teacher Training Schools (Darul-Mo'Allameins).

New Darul-Mo'Allameins will be established at Herat, Kandahar, and Jalalabad. In this way since a Darul-Mo'Allamein in Persian speaking areas and two in Pashto-speaking regions. Since the Darul-Mo'Allameins at Kabul is functioning satisfactorily, the fore no need is felt for its development, and therefore its expenditures would continue to be met out of the usual budget.

For the remaining three Darul-Mo'Allameins, which would be run on identical patterns, the budget, on the basis of the Five Year Plan, of only one of them is being detailed here. The budgets of the remaining two will be on the same scale.

In these schools a larger number of students will be boarders, but a number of day-students will also be enrolled. As far as expenditures on the students are concerned, only the boarding students will be taken into account. Expenses relating to day-scholars will be met out of the annual budget of the Ministry of Education, and will not be much. These schools will be established in 1957 and will produce graduates in 1963.

(1) Number of Boarding Students.

Year	CLASSES VII	VIII	IX	X	XI	XII	Total	Number of Sections
1957	100	-	-	-	-	-	100	2
1958	100	80	-	-	-	-	180	4
1959	100	96	64	-	-	-	260	6
1960	100	99	89	-	-	52	340	6
1961	100	99	17	82	43	-	420	10
1962	100	99	99	94	74	34	500	11

(2) Buildings will be constructed from out of funds provided under the plan.

(3) Salaries and Expenditures

Year	SALARIES		EXPENDITURES	
	Dollars	Afghanis	Afghanis	Dollars
1957	8,400	63,465	779,176	1,760
1958	8,400	83,005	1,125,812	1,760
1959	8,400	107,335	1,370,708	1,760
1960	8,400	127,605	1,518,906	1,760
1961	8,400	174,370	2,200,212	1,760

Mechanical Schools:

The Mechanical School at Kabul meets, to some extent, the needs of the various Ministries, but capable workers are also in demand by governmental and private agencies alike. Further-

more, development of industries might give a chance to some technicians to start their own workshiop. It is hoped that by the end of the Five Year Plan industries would be developed to the extent that greater demands will be created for capacible technicians. According to this idea the Ministry of Education finds it necessary to establish two new Mechanical schools, one at Bulbahar and another at Kandahar. Both of these schools would require the same expenditures. The Five Year Plan for one of them is being given below. The same would apply to the other.

(1) Number of students

Year	CLASSES			Total	Number of Sections
	VII	VIII	IX		
1956	100	-	-	100	3
1957	100	80	-	180	6
1958	100	80	70	250	8

(2) Buildings:

Hostel, Classrooms, Offices, Workshops, etc.

(3) Machinery and Equipment

At a cost of $ 10,000

(4) Salaries and Expenditures:

Year	SALARIES		EXPENDITURES	
	Afghanis	Dollars	Afghanis	Dollars
1956	163,300	8,400	1,974,182	6,760
1957	186,985	12,600	1,695,690	5,000
1958	206,745	21,000	1,957,466	9,400

Figures for 1959 - 1960 will be same as for 1958.

General Table Showing Expenditures, Salaries, etc., on Schools Needing Improvement, Schools Needing Development, and New Schools

Heads of Expenditure		SCHOOLS			
		Agricultr.	A.I.T.	Mechancl.	Arts Schools
Machinery, tools, library, laboratories, workshops, experiment rooms, etc.	Afs.	460,000	60,000	200,000	70,000
	$	40,000	35,000	136,080	21,000
	£	-	-	20,000	-
Salaries	Afs.	1610,325	1623,925	3,285,660	1825,085
	$	322,200	350,400	124,800	67,200
	£	960	-	27,780	
	Rs.	-	-	-	12,000
Expenditures	Afs.	9,116,481	9133,673	10322648	3401,068
	$	60,335	55,460	-	-
Total of schools needing development	Afs.	19986,806	15819,598	19808308	13296,153
	$	422,535	440,860	260880	88,200
	£	960	-	47780	,000
	Rs.	-	-	-	12,000

Schools Needing Improvement:

Heads of Expenditure		Darul-Mo'Allameins at Kabul	Ibn-Sina Jr. College	School of Commerce
Workshop, Laboratories, Libraries, etc.	Afs.	100,000	100,000	200,000
	$	25,000	40,000	15,000
T o t a l	Afs.	100,000	100,000	200,000
	$	25,000	45,000	15,000

<u>New Schools</u>:

In the Plan, expenditures of only one of these schools have been given. Here expenses for 3 Darul-Mo'Allameins and 2 Mechanical schools are calculated.

Head of Expenditure		Darul-Mo'Allameins at Herat, Jalalabad	Mechanical School at Kandahar, Gulbahar
Laboratories, workshops Libraries, etc.	$	45,000	30,000
Salaries from 1957 to 1960	Afs.	1,044,230	2,911,560
	$	105,800	252,000
Expenditures from	Afs.	14,383,806	18,980,740
		21,120	79,920

Expenditures on buildings and their repair will be met out of funds provided under the Plan.

Five Year Plan for the Kabul Museum:

1. The Kabul Museum is in reality the Museum of Afghanistan, in which historical relics and archeological specimens have been collected over a period of 35 years. From the point of view of importance these collections have a unique place for themselves among the museums of the Middle East and the world of science. Unfortunately, however, the Kabul Museum does not possess a building fitting enough for the storage of such gems of archaeology. The present building, which was originally built to house the municipal offices of Darul-Aman, is restricted and dark, and possesses insufficient space for the classification and display of the exhibits. One of the most important requirements of the Museum, therefore, is the provision of a suitable building possessing the following facilities:

a. Museum of ancient relices (with a separate section for coins)
b. Museum of Islamic Civilization and Arts (with a separate section for manuscripts)
c. Museum of Typography and Enthnography

Such a building would require approximately one and half million Afghanis.

2. The Kabul Museum urgently needs the services of a foreign adviser and an expert on repairing museum pieces. The former would help in preparing the list and cards of the exhibits, and the latter would assist in the task of repairing and maintaining in good condition the articles stored in the Museum. Even now the Museum possesses articles which would deteriorate without expert attention.

Since these two persons will have to be engaged from among prominent foreign archaeological experts, they will be paid the highest salaries, traveling allowances, and house rent permissible. The annual salary, traveling allowance, and house rent on each will, therefore, amount to $ 12,000.

3. After classification of its exhibits, the Kabul Museum will take the shape of the following three districtly separate museums:

a. Archaeological Museum
b. Museum of Islamic Civilization and Arts; and
c. Museum of Ethnography.

Each one of the museums will be headed by a Director. Two other persons in each will serve as experts on coins and manuscripts. These persons will be selected from among the graduates of the Faculty of Literature. In order to encourage them to dedicate their lives to their tasks, they will be given good salaries and annual salaries of three Senior Assistants of the 4th Service Grade, also be paid 500 Afghanis per month as Special Allowance, or 36,000 Afghanis per annum for all 6.

4. Ample quantities of chemicals and apparatus are needed for repairing, preserving and maintaining museum pieces. Since most of these things would have to be imported from abroad, $ 1,000 per annum will have to be set aside for this purpose.

5. Racks, cabinets and almirahs in the Museum have grown old and unserviceable. Therefore, their procurement, along with furniture, carpets, and covering for the floors would need an additional amount of Afghanis, 40,000 per annum.

Since the Five Year Plan of the Ministry of Education is under consideration, these items of expenditures on the Kabul Museum should also be incorporated in it. The five items mentioned above are expenditures apart from the normal annual budget of the Museum.

The Printing Press of the Ministry of Education

It is hardly necessary for us to point out the importance of textbooks for education, therefore, expansion and completion of the Printing Press of the Ministry of Education must be given an important place in the Five Year Development Plan for Education. The following recommendations are made in this regard.

Heads of Expenditures		YEARS				
		First	Second	Third	Fourth	Fifth
1. Completion of buildings	Afs.	-	500,000	500,000	500,000	-
2. Supplies and equipment for offset machine and workshops	$	-	30,000	20,000	20,000	-
	Afs.	-	15,000	15,000	15,000	15,000
3. Benzine, lubricants etc.	Afs.	-	10,000	25,000	30,000	40,000
4. Clothing and overalls for workers	Afs.	-	10,000	20,000	20,000	20,000
5. Fuels	Afs.	-	15,000	25,000	25,000	25,000
6. Office Stationery	Afs.	-	3,000	3,000	3,000	3,000
7. Traveling allowance and house	$	-	880	880	880	880
8. Salaries of foreign technicians	$	-	4,200	4,200	4,200	4,200
9. Salaries of administrative and technical personnel	Afs.	148,025	521,650	531,650	531,650	531,650
Total	Afs.	148,025	1096,650	1126,650	1136,650	646,650
	$	-	35,080	25,080	25,080	5,080

The General Plan of the University

The chief functions of an university can be divided into the three following categories:

(1) To revie, to develop, and to improve the culture of the society in which the university has been established.

(2) To train specialists and technicians.

(3) To undertake and to conduct scientific research and investigation for the advancement of knowledge.

The University of Kabul, a recently founded institution, has been, to a certain extent, able to achieve the first two aims. However, due to certain reasons, its measures of success in these areas has not been up to the level that would be expected from such an institution. Among other things, the need of the University of Kabul for foreign professors, laboratories, lack of adequate buildings, supplies, and equipment can be considered as major factors.

For 1336

1. Buildings	10,000,000 Afs.
2. University awards	75,000 "
3. Cost of writing books, etc.	200,000 "
4. Sports	150,000 "
5. Salary of Assistant Rector	22,350 "
6. Salary of Secretary of foreign correspondence	900 Pounds
7. For unforeseen expenses	100,000 Afs.
	500 Dollars
Total	10,547,350 Afs.
	500 Dollars
	900 Pounds

For 1337

1. Buildings	10,000,000 Afs.
2. Awards	75,000 "
3. Writing and publishing books	200,000 "
4. Sports	150,000 "
5. Assistant	22,350 "
6. Secretary	900 Pounds
7. Traveling expenses	300 Punds
8. Unforeseen expenses	100,000 Afs.
	5,000 Dollars
Total	10,547,350 Afs.
	5,000 Dollars
	1,200 Pounds

For 1338

1. Buildings	10,000,000 Afs.
2. Awards	75,000 "
3. Writing and publishing books	200,000 "
4. Sports	150,000 "
5. Assistant	22,350 "
6. Secretary	900 Pounds
7. Unforeseen expenses	100,000 Afs.
	500 Dollars
Total	10,547,350 Afs.
	500 Dollars
	900 Pounds

For 1339

1. Building	5,000,000 Afs.
2. Awards	75,000 Afs.
3. Publishing cost	200,000 Afs.
4. Sports	150,000 Afs.
5. Assistant	22,350 Afs.
6. Secretary	900 Pounds
7. Unforeseen expenses	5,000 Dollars
Total	5,547,350 Afs.
	5,000 Dollars
	900 Pounds

The Faculty of Law

The Faculty of Law and Political Sciences, an institution of higher learning in the field of law, economics, finance and administration, has from its earliest beginning up to now contributed a great deal to train young men for the various departments of the government. Unfortunately, this faculty of lack of sufficient funds, and necessary supplies and equipment, has not been able to develop to the extent that we would like it to develop. Lack of capable professors, scarcity of adequate textbooks, absence of a suitable building, and lack of proper library facilities can be counted among the major factors contributing to its slow development. The

present five-year plan has been drawn up with a view to remedying these basic inadequacies and to pave the way for its future growth and development.

Academic Activities

The faculty of law has been divided into the three following branches:

1. Administration
2. Economics and finance
3. Diplomacy.

Although all three branches are important for the general development of the country, the administration branch, since not much attention has been paid to it so far, requires our immediate concern.

Today, not a single specialist for public administration and business administration exists in the country. The present administration organization of the country is such that if we were to study it scientifically we would identify many inadequancies that are conducive to waste of time and money. On the other hand, even if we assume that our present administrative system is logical and reasonable we do no have able administrators in our civil and private departments who would be fully equipped and qualified in the modern technique of administration.

These administrators, therefore, cannot help but cause a wastage of time and money.

The faculty of law was well aware of this inadequacy and in the beginning of the present year contacted the ICA and requested their help in remedying the situation. ICA has agreed to bring in a number of specialists in 1335 to study this problem. For the time being the faculty of law proposes the following for improvement of its branch of administration.

1) Recruiment of foreign professors:

Professor for public administration	
Monthly salary	300 pounds
Monthly house rent	1,000 Afs.

Professor for administrative law

Monthly salary	300 pounds
Monthly house rent	1,000 Afs.

Professor for civil law

Monthly salary	300 pounds
Monthly house rent	1,000 Afs.

Professor for criminal law

Monthly salary	300 pounds
Monthly house rent	1,000 Afs.

Note: The last two professors may also teach in the other two branches.

2) In order to enable the students of this branch to equip therselves with all modern techniques of work it is necessary accounting machines. The purchase of the following machines is therefore proposed:

10 typewriter machines at 10,000 afghanis each, 100,000 Afs.
5 accounting machines at 10,000 afghanis each, 50,000 Afs.

Economic and Finance Branch

Our need for trained persons in the field of economics and finance is quite obvious. Since a number of Afghan instructors are available in these fields we only need to recruit two foreign professors for these subjects.

Professor of economics

Monthly salary	300 pounds
Monthly house rent	1,000 Afs.

Professor of finance

Monthly salary	300 pounds
Monthly house rent	1,000 Afs.

The salary of foreign professors for this subject is provided in the present budget. No additional professor is needed for this branch.

(2) The University has proposed in its general plan to raise the standard of instruction and to encourage Afghan schools to be attracted to teaching in the University by providing a special salary for them. The proposed scale is as follows:

For full professors 3,000 afghanis monthyl
For assistant professors 2,000 afghanis monthly
For assistants 1,000 afghanis monthly.

On the basis of the above scale the following additional funds are needed:

Three professors	
Monthly salaries	9,000 Afs.
Annual	108,000 "
Three associate professors	
Monthly salaries	6,000 "
Annual salaries	72,000 "
Two assistants	
Monthly salaries	2,400 "
Annual salaries	24,000 "

(3) To strengthen the facilities for publication of books and other materials and to extend the library services the following amounts are proposed:

For publications 60,000 afs. per year
One library director, rank (5), must have a moderate annual salary 10,150 afs.
Assistant librarian, must have a high school diploma, annual salary 7,000 afs.

(4) Recruitment of foreign professors necessitates the expenditure of foreign currency and therefore proves very costly. Besides since our students are not efficient in understanding a foreign language, and since the foreign professors cannot give lectures in the native tongues, the actual result of the instruction is, therefore unsatisfactory. As mentioned before, the university is seriously concerned about solving this problem.

In pursuance of this policy the faculty intends to send at least nine students during the five year period abroad for advanced studies. These students will spend at least two years for study and on their return will be required to teach in the faculty. The schedule of sending students will be as follows:

Traveling expenses of 3 persons, $ 884 per person, $ 2,652
Expenses for study abroad for 1335, $ 9,750
For 1336, 3 persons traveling expenses (3x$884), $ 2,652
Expenses for their study abroad ($3,250 x 3) $ 9,750.
Expenses for the second year of the first year group ($ 3,250 x 3) $ 9,750.
Return traveling expenses for the first group at the end of the year ($ 884 x 3), $ 2,652.
In 1337, e persons traveling expenses, $ 2,652.
Expenses for the first year of third group ($ 3,250 x 3) $ 9,750
Expenses for the second year of the second group ($ 884 x 3) $ 2,652
In the year 1338, expenses for second year of third group ($ 3,250 x 3) $ 9,750.
Return traveling expenses of third group ($ 884 x 3) $ 2,652.

(5) Sports: Since sports play an important role in strengthening the physical and moral aspect of students development, the Faculty of Law, therefore, deems it necessary to encourage the students to participate in sports and physical activities; for this purpose the amount of 110,000 afghanis per year will be spent.

(6) Since the number of boarders are increasing every year, the annual amount of 50,000 afghanis is proposed for boarding expenses.

(7) Unforeseen expenses.

1335	50,000 afs.
1336	50,000 afs.
1337	50,000 afs. and 500 dollars
1338	50,000 afs. and 500 dollars
1339	50,000 afs. and 500 dollars

Note: All expenses proposed in this plan are for the future growth and development of the faculty. Therefore, these amounts are in addition to the appropriation of the 1334 budget.

Summary of Expenses for the Faculty of Law

Expenses for 1335

1.	House rent for six foreign professors	45,400
2.	Typewriters and accounting machines	150,000
3.	Publication branch	60,000
4.	Salary of librarian	10,150
5.	Salary of assistant librian	7,000
6.	Unforeseen expenses	50,000
7.	Special salaries of native professors, etc.	204,000
8.	Sports	11,000
9.	Boarding expenses	50,000
	T O T A L	587,550

1.	Salary of six foreign professors	16,440 pounds
1.	Traveling expenses of six foreign professors	5,100 dollars
2.	Traveling expenses of three students for study abroad	2,652 dollars
3.	Study expenses of three students	9,750 dollars
	T O T A L	17,502

Expenses for 1336

1.	House rent of six foreign professors	45,400 Afs.
2.	Public expenses	60,000 Afs.
3.	Salaries of librarian	10,000 Afs.
4.	Salary of assistant librarian	7,000 Afs.
5.	Unforeseen expenses	50,000 Afs.
6.	Sports	11,000 Afs.
7.	Special salary of native professors	204,000 Afs.
8.	Boarding expenses	50,000 Afs.
	T O T A L	437,550 Afs.

1. Salary of six foreign professors	16,440
1. Traveling expenses of three students for study	2,652
2. Expenses of their study abroad for first year	9,750
3. Second year expenses of the first group	9,750
4. Return traveling expenses of the first group	2,652
TOTAL	24, 804

Expenses for 1337	Afghanis
1. House rent of six foreign professors	45,400
2. Publication expenses	60,000
3. Salary of librarian	10,150
4. Salary of assistant librarian	7,000
5. Unforeseen expenses	50,000
6. Special salary of native professors	204,000
7. Sports expenses	11,000
8. Boarding expenses	50,000
TOTAL	437,550

1. Salary of six foreign professors	±	16,440
1. Unforeseen expenses	$	500
2. Traveling expenses of three students	$	2,652
3. First year expenses of third group	$	9,750
4. Second year expenses of second group	$	9,750
5. Return expenses of second group	$	2,652
6. Return traveling expenses of six foreign professors	$	5,100
7. Traveling expenses of six new foreign professors	$	5,100
TOTAL	$	55,504

Expenses for 1338

1. House rent of six professors	Afs.	45,400
2. Publication expenses		40,000
3. Salary of librarian		10,150
4. Salary of assistant librarian		7,000
5. Unforeseen expenses		50,000
6. Special salary of native professors		204,000

7. Boarding expenses		50,000
8. Sports expenses		11,000
T O T A L	Afs.	437,550
1. Salary of six foreign professors	£	16,440
1. Unforeseen expenses	$	500
2. Study expenses of third group		9,750
3. Return expenses of third group		2,652
T O T A L	$	12,902

Expenses for 1339

1. House rent of six foreign professors	Afs.	45,400
2. Publication expenses		60,000
3. Salary of librarian		10,150
4. Salary of assistant librarian		7,000
5. Unforeseen expenses		5,000
6. Special salary of native professors		204,000
7. Boarding expenses		50,000
8. Sports expenses		11,000
T O T A L	Afs.	437,550
1. Salary of six foreign professors	£	16,440
1. From 1338	$	12,902
2. Unforeseen expenses		500
3. Return traveling expenses of 3 foreign professors		5,100
T O T A L		5,600

contribution to its slower development. More recently the university is seriously considering the ways and means of resolving these difficulties.

The rapid advancement of science and technology has drastically changed the world we live in. The destiny of various nations inhabiting this globe has been so linked to gether that an important event happening in one part cannot leave the other part of the world.unaffected. Under these circumstances Afghanistan must, on the one hand, change and improve her sanitary and social conditions and on the other hand must participate in the political and ideological currents of the contemporary

world in a manner that issuitable to a proud and free nation.

To realise these aspirations it is essential that we should have such personnel and such means at her disposal the preparation and procurement of which can only be possible through the university.

The general success of an economic plan is not possible without highly trained specialists and technicians. To replay on foreign sources for the training of these personnel will prove exceedingly costly for us. The University of Kabul, therefore, has drawn a five year plan to train specialists and technicians in various fields needed for the general economic development of the country.

This plan has two important aims in view:

1) improve and resolve the present difficulties and inadequacies, and
2) To expand and develop in the future.

We shall discuss each separately.

Because of a number of difficulties the University of Kabul has not been able to achieve its aims properly. The details of these difficulties with the ways of resolving them have been dealt within connection with the plan of each faculty. Here we shall dwell upon some of the problems that are of general nature, and their solution calls for immediate action. These problems and their means of solution are as follows:

A. Teaching Staff. The number of native professors teaching at the university can be counted on the tips of one's fingers. The major burden of teaching, therefore, has fallen on the shoulders of foreign professors. Obviously, until such time as the university has been able to increase the number and strengthen the quality of the native professors, it has to depend upon foreign scholars. The rise of living standards and the cost of living in the world, in general, as compared to a few years ago, and the serious attempt of the people of Asia to develop themselves and to speed up their tempo of progress, increasing the demand for scholars and teachers from Europe and America, has made it well high impossible for us to recruit foreign professors with the salary scales provided in our present budget. We are faced, therefore, with revising

our salary scales and raising the present scales to a proper level. At the same time in order to attract more qualified Afghan scholars to choose teaching in the university as a career, who must admit some material concessions. It is, therefore, proposed that the native university teacher, in addition to the salary they receive under the present rules and regulations, receive a different type of salary called a teaching salary, as follows:

1. For full-fledged professors, 3,000 afghanis per month,
2. For associate professors, 2,000 afghanis per month,
3. For asisstants, 1,000 afghanis per month.

For further encouragement, five awards in five different fields of knowledge should be provided. The recipient of an award will be an university professor or an associate professor who produces an in discovering something new in his field. An amount of 15,000 afs. shall be paid to a recipient of the award.

The awards are specified as follows:

1. The Avi Sena award in medicine
2. The Abu Rahman-e-Beroni award in science.
3. The Sayed Jamaluddin in Afghani award in the social sciences
4. The Khushal Khan-e-Khatak award in literature.
5. The Haki Sanaye award in philosophy and Theology.

The granting of these awards will encourage the university men to indulge in research and studies and thereby raise the standard of knowledge and scientific endeavor at the university level. It shall be a great boon and contribution to culture and learning in the country. In addition to the above measures a number of university teachers will be sent abroad for further and higher studies.

As far as the general university development is concerned the amount of money in home and foreign currency needed for these projects shall be given here. The expenses for the various faculties shall be given separately.

B. Tool, equipment, chemicals, etc. The most important thing which makes a university distrinct from other institutions of learning is research and study. Research and study, besides increasing the fund of information on the part of the students,

increases their power of creativity and critical thinking. Lack of material supplies needed for research reduces the level of a university to that of a high school and prevents it from achieving its real purpose.

Equipment. The tools, equipment, and apparatus available at present in our laboratories are mostly old and obsolete and cannot serve the purpose of scientific research. Since practical experiments in laboratories are very important, it is, therefore, essential that the present laboratories should first of all be completed and secondly, two entirely new research laboratories, one for medicine and one for science, should be established. These laboratories should be equipped with the most up-to-date tools and instruments. They would be established to conduct scientific research and studies for general advancement of learning. It is aimed that they will also play an important role in the development of medicine and agriculture in the country. It is obvious that such persons shall engage themselves in research and studies in these constitutions who belong to the instructional staff of the university, however, the former or the present laboratories will be used strictly or instructional purposes and will be utilzed for the development and enhancement of students' thinking and experience.

The initial and usual expenses of these laboratories and research institutions will be given separately, in connection with each faculty.

C. Publications. Publications of textbooks and scientific books can also be considered as essential requirements of an university. Unfortunately, in this respect, our country is extremely poor. Publication of books at present is insignificant and that of scientific materials practically nil.

Since the faculties do not have textbooks we are forced to give notes in the classroom to students. These notes are at best meager and incomplete. During the academic year it is usually impossible to cover all of the syllabus designed for a course. Textbooks that are so essential in university instruction do not exist in our own language so that instructors may refer the students to them. It is, therefore, essential that the university should have an up-to-date press. The expenses

needed for a printing establishment for the university is given in the general university plan and the expenses for purchase of books, publications of periodicals and scientific materials are given for each faculty separately.

D. Buildings. It will not be incorrect if we say that modern buildings are one of the most basic needs of an university. The University of Kabul, which is the center of scientific and cultural activities of the country, is in dire needs of adequate buildings. Because of this necessity, the administrationof the university is housed at present in a few rooms of the chemistry laboratory of the faculty of science. The faculties of literature and theology reside, one in an apartment building in Share Nau, and the other in a hotel in Paghman.

These two buildings are entirely unsuited for the work of instruction. The buildings for the faculty of law is slightly better than the two faculties just mentioned. However, this building, too, often is primarily a family residence and as such is quite inappropriate for a faculty. The faculty of science has occupied a building which was originally designed and constructed for the medical faculty, and at that, the construction of the building is not fully complete as yet. The faculties of agriculture and engineering which start as of this year have no buildings of their own and out of necessity have occupied a part of the building of the faculty of science. The building for the medical faculty which was built originally to accomodate classes of very small size, ten students per class, cannot accomodate the present fifty students per class, and when two years from now the sixe of classes increases to an average of one hundred it will be rather mild if we say we shall be over-crowded. For the institute of medical research and the institute of radiology which shall be established at Ali Abad we have no buildings whatsoever. Moreover, we do not have a simple building for dormitory to accomodate students who came from the province. The number of these students is increasing each year.

In addition to the above needs the university requires a modern gymnasium to provide physical education for university students. Physical education is a basic necessity for the healthful growth of the youth who come to the university.

The above explanation is sufficient to indicate the needs of the university for modern and suitable buildings. To meet these needs the university propose the following projects in the next five years:

1) One building for the central administration of the university
2) For the faculties of law, literature and theology, one building.
3) One dormitory to accomodate 500 students.
4) One building for the research institute of sciences-biology chemistry and physics.
5) One building for the faculties of engineering and agriculture
6) One building for university gymnasium.

Besides the above six buildings it is proposed that the buildings started earlier and left incomplete should be completed as soon as possible. These are: the building for the faculty of science, the building for the department of bacteriology, and the building for the department of surgery. The cost of completing these buildings in the absence of actual assessment by specialists, will be estimated roughly and will be given along with other proposed expenditures.
It is added that all figures for building expenditures have been roughly estimated. Actual figures could be possible only when the specialists and architects are ready to draw the plans. However, it is hoped that in the next three years we should be able to complete at least third of the building projects scheduled above.

It is also necessary that the foreign currency needed for the establishment of the university press should be put at our disposal in the first year of the five year plan. The other items should be appropriated annually. The figures given below do not include the usual budget of the university and its various faculties. These figures are proposed solely to overcome the present and the immediate inadequacies.

1. For buildings projects, 40 Million Afghanis
2. For the university press (printing machines) $ 60,000; salaries and other expenditures, 200 Afghanis annually, one million Afghanis for five years.

3. Expenditures for physical education and sports, 150,000 afs. per year, 750,000 afghanis for five years.
4. For university awards 75,000 afghanis per year - 375,000 for five years.

The university, by its very nature as a center of learning, requires that it should be in constant growth and development. It should be a dynamic institution and not a static one. It is therefore, essential that the requirements for its growth and development should be provided. These requirements cannot, however, be specifically predicted at a given time. It is proposed that a certain amount of reasonable and logical elasticy should characterize its budget. Rigidity is obviously a deterrent to growth and development.

As a measure of preventing rigidity, the following amounts should be provided in the budget:

1. 100,000 afghanis per year, for five years, 500,000 afs.
2. 5,000 US-$ per year, 25,000 US-$ for five years
3. Salary of an assistant for the university president on instructional matters with rank 2: annual salary, 17,550 afghanis, for professional salary, 4,800 afs., for five years, 111,750 afghanis.
4. Salary of a secretary for foreign relations: Monthly salary 75 pounds annual 900 pounds, five year salary 4,500 pounds traveling expenses for one trip 150 pounds, traveling expenses for 3 trips 450 pounds, a total of 4,950 pounds.

Note.1 These amounts are in addition to the ordinary budget of the university (1334 budget).

Note 2. At present, since the various faculties are scattered and are located at a considerable distance from each other, each faculty has its own separate dormitory and its accounting office. The university shall in the future, or as soon as the material conveniences are provided, consolidate the dormitories and the accounting offices. This will make reduce the cost and the same time will make it possible to administrate these functions more smoothly. These measures do not call for additional appropriation and could be taken care of by the general

appropriation proposed in this plan.

Summary of Expenditure

For the general university administration salaries and costs for 1335

1. Building	5,000,000	afs.
2. University awards	75,000	afs.
3. Purchase of printing machines	60,000	Dollars
4. Cost of writing books, translator etc.	200,000	afs.
5. Sports	150,000	afs.
6. Assistant Rector, rank (2)	22,350	afs.
7. Unforeseen expenses	100,000	afs.
	5,000	Dollars
8. Salary of secretary of foreign relations	900	pounds
Traveling expenses	150	pounds
T O T A L	5,547,350	afs.
	65,000	dollars
	1,050	pounds

SUMMARY FOR FIVE YEARS

Years	Afghanis	Dollars	Pounds
1335	587,550	17,502	16,440
1336	437,550	24,804	16,440
1337	437,550	35,504	16,440
1338	437,550	12,902	16,440
1339	437,550	5,600	16,440
	2,737,750	26,312	82,200

Faculty of Literature

Introduction

The faculty of literature since its existence has strived to achieve its intended aims in the face of numerous difficulties. The faculty has been able to train a number of teachers in Persian and Pashto literatures and in history and geography for

the secondary schools. It has also succeeded in training a number of research workers in these fields. In the next five years to come the faculty shall continue to concentrate on these two basic aims. Since there will be a general expansion in the realm of education it is therefore logical to assume that the faculty should increase and intensify its efforts along these lines. In order to succeed in this goal it is essential that many improvements in the faculty be brought about, such as physical improvements, status of professors, increase in their number, expansion of publications, and extension of various branches.

On the basis of these assumptions the five year plan for the faculty has been drawn.

1. The Faculty Building. The various educational and cultural activities of the faculty since its inception, have been seriously hampered by the lack of a suitable building. The present building is a group of apartments that were designed and constructed by the Ministry of Education for the lodging of foreign teachers. This building besides restricting the instructional activities, does not lend itself to any further development or expansion.

Under the general five year plan of the university enough has been said about the problems of building. We therefore refrain from further comment on this point.

2. Academic Activities. The faculty of literature at present consists of two departments:

   a. Department of Persian and Pashto Literature
   b. Department of History and Geography.

However, it is written in the statutes of the faculty that as time goes on and means and materials are available other departments of the faculty shall be opened one after the other. For the year 1335 the department of foreign languages - English, French and German and for 1336 Russian, Urdo and Sanskrit are envisaged. The expenses for the department of foreign languages are as follows:

1) Since cultural, economic and commercial relations between the Soviet Union and Afghanistan as of later are increased, it is proposed that instruction in the Russian Language be provided.

For this purpose a professor of Russian Language with monthly salary of $ 600 is needed.

2) Since the Urdo language is widely used in Pakistan and in India it is proposed that a professor of Urdo language, with a monthly salary of 600 rupees, be employed as for 1336.

3) For instruction in French and German, there is presently employed one instructor for each language. However, since it is assumed that in future years the number of students in various faculties who seek to learn languages will increase, one more teacher for each with a salary of 200 pounds per month is proposed.

4) For instruction in English two teachers with a monthly salary of 600 dollars as of 1335 is proposed.

5) The languages of Sanskrit and Avesta from the point of view of lingistic researches in Pashto were once included in the curriculum of the faculty. The instruction in these languages has suspended for a number of years. It is proposed that instruction in the above languages be resumed and for this purpose one professor for Avesta and Sanskrit with a monthyl salary of 300 pounds is needed as of 1336.

6) One professor for philology with a monthly salary of 300 pounds is proposed as of 1336.

7) One professor for history with a monthly salary of $ 600 as of 1335 is proposed.

8) One professor for geography with a monthly salary of 200 pounds is needed as of 1338.

9) For instruction in dramatic arts one professor, with a monthly salary of 300 pounds is proposed as of 1338.

10) One professor for Arabic to be recruited from Egypt or some other Arabian country as of 1336, with a monthly salary of 150 pounds, is proposed.

3. <u>Native Professors</u>. For encouraging capable persons to seek teaching positions at the faculty, additional teaching salaries are proposed as follows:

a. For 3 professors 108,000 afs.
b. For 3 associate professors 72,000 afs.
c. For 2 assistant professors 24,000 afs.

The need for training Afghan teachers for various subjects is great. The need is much greater in the Pashto language. We actually do not have a Pashto teacher who can teach at university level. One of the main reasons for lack of progress in the Pashto department is scarcity of capable teachers. The faculty of literature must pay serious attention to this problem. The only solution to the problem at present is to sent students abroad. These students should be selected from among the qualified graduates of the faculty whose mother tongue is Pashto, and who have had some experience in teaching the Pashto language. These students should study in the field of Philosophy and linguistic research.

In general, the faculty teachers should be trained by assigning assistance to various subjects from among the qualified graduates of the faculty. These assistants should be the fifth rank in hierarchy of government civil servants. During the five year plan, assistants and their distribution over the year should be as follows

1335	-3 assistants
1336	-3 assistants
1337	-2 assistants
1338	-2 assistants
1339	-2 assistants

The expenditure to sent these assistants abroad will be as follows:

1335	- 3 persons	- $ 12,402
1337	- 2 persons	- $ 6,500
1338	- 2 persons	- $ 6,500

These students shall spent at least two years abroad and after their return the available funds shall be used to send more students.

4. <u>Publications</u>.The publication program of the faculty at present consists in issuing a quarterly review of literature and publishing of textbooks. The publication program shall be expanded in future to include preparation and printing of more textbooks, student monographs and publishing the results of research in the various objects. The following fund are proposed for the program:

a. Printing expenditure in 1335, 10,000 afghanis, and an increment of 10,000 afghanis for each subsequent year.

b. Printing expenditures for writers and authors and translators in 1335, 20,000 afghanis, and an increment of 10,000 afghanis for each subsequent year.

c. Salary of one typist of rank 7 for 1335 and salary of another typist of some rank for 1338.

d. Salary of one clerk of rank 10 as of 1335.

5. Research. One of the aims of the faculty of literature is to conduct researches in the literature, history, and culture of the nation. The researches will be undertaken by the Afghan Professors here and abroad.

a. Sending of research teams abroad. Today many of our literary and cultural effects are scattered in museums of foreign countries. In order to collect and publish these works it is necessary that of 1338 we should dispatch research teams abroad. Among other studies, the member of the team shall copy and microphotograph books and manuscripts of Pashto and Persian dealing with the history and the culture of the country. This program will be initiated on experimental basis in 1338 and if fruitful shall continue in subsequent years. The expenses for one team of research are estimated at about 5,000 dollars.

b. Research at home. In this connection expansion of the library, sending of study teams around the country, and purchasing tools and equipment for geographical research in intended and for this purpose the following funds are proposed:

(1) Library - for 1335, 20,000 Afghanis and 10,000 afghanis each year during subsequent years. For purchasing books from outside, $ 500 is proposed for each year.

(2) Maps and other geographical equipment - the amount of $ 500 as of 1335 is proposed.

(3) Photography and geographic studies - for camera and other related equipment, $ 300 for 1335.

(4) Expenditure for field trips in geography, 30,000 afghanis as of 1335.

(5) For purchasing cinema projector and motion picture camera and other equipment, $ 1,000 to be spent in 1335.

(6) Jeep station wagon for field trips, $ 2,500 to be spent in 1335.

(7) For drama and speech - $ 500 to be spent in 1335 for a tape recorder and necessary equipment.

(8) Invitation of foreign professors. At least one outstanding foreign professor from the neighboring countries shall be invited to deliver series of lectures on literature, history, and cultural subjects to university students. As of 1337 the amount of $ 5,000 is proposed for this purchase.

Student Boarders. The number of students enrolling at the faculty is estimated to increase in the following manner:

Year	First Clas	2nd Class	3rd Class	4th Class
1335	30	33	30	14
1336	30	30	32	30
1337	40	30	30	32
1338	42	40	30	30
1339	40	42	40	30

Total : 655

To meet the increment the following funds are proposed as for 1335

Equipment	40,000 afghanis
Fuel	20,000 afghanis
Student salary	35,000 afghanis
Food	40,000 afghanis
Light bill	5,000 afghanis

In subsequent years a total of 50,000 afghanis shall be added to the above funds.

7. Miscellaneous Expenses

Tuition fees	60,000 afghanis
Textbooks from abroad (annually as of 1336)	500 pounds
Stationary (annually)	5,000 afghanis
Sport equipment	11,000 afghanis

8. Unforeseen Expenses

	Annually
Dollars	500
Afghanis	50,000

Expenses for 1335

1. Afghanis

Salary of 3 assistants, rank 5	30,450
Salary of 3 assistants of 3 professors	108,000
Salary of 3 assistant of 3 associate professors	72,000
Salary of typist, rank 7	5,700
Salary of clerk	3,630
Printing costs	10,000
Authors and translators	20,000
Boarding expenses	40,000

Fuel etc.	20,000
Salary of students	35,000
Food	40,000
Lighting	5,000
Fees	60,000
Stationary	5,000
Sports equipment	11,000
Travelling expenses for student-teachers	30,000
Diploma allowance for 3 assistants	7,200
Diploma allowance for 2 assistants	36,000
Books for library	20,000
Unforeseen expenses	50,000
House rent for foreign professors	72,000
Total	680,980

2. Dollars

Salary of 2 English teachers	14,400
Salary of 1 history professor	7,200
Geography supplies	500
Jeep station wagon	2,500
Projector and camera	1,000
Tape recorder	500
Camera and equipment	300
Travelling expenses for foreign professors	5,100
Expenses of 3 students abroad	12,401
Total	43,901

3. Pounds

Salary of French teacher	2,400
Salary of German teacher	2,400
Salary of Geography professor	2,400
Total	7,200

Expenses for 1336

1. Afghanis

From previous year	680,980
Composition and translation	10,000
Salary of 3 assistants	30,450
Maslaki allowance of 3 assistants	7,200
Extra	36,000
Printing	10,000
Boarding expenses	50,000
Library	10,000
House rent for foreign professor	60,000
Total	894,630

2. Dollars

From previous year	43,901
Salary for Russian professor	7,200
Total	51,101

The following should be decuted:

Jeep	2,500
Projector and camera	1,000
Tape recorder	500
Camera	300
Total	4,300

Total dollar expenses for 1336 ($ 51,101 minus $ 4,300 equals 46,801.)

3. Pounds

Salary of Sanskrit professor	3,600
From previous year	7,200
Purchase of books from abroad	500
Salary of Philology professor	3,600
Salary of Arabic professor	1,800
Total	16,700

4. Rupees

Salary of Indian professor	7,200

Expenses for 1337

1. Afghanis

From previous years	894,630
Salary of two assistants	25,100
Printing	10,000
Authors and translators	10,000
Library	10,000
Boarding	50,000
Total	999,730

2. Dollars

From previous years	46,801
Cost of sending 2 students abroad	6,500
Cost of inviting foreign scholars	5,000
Unforeseen expenses	500
Total	58,801

3. Pounds	16,700
4. Rupees	7,200

Expenses for 1338

1. Afghanis

From previous years	999,730
Printing	10,000
Composition and translation	10,000
Library	10,000
Boarding	50,000
Salaries of 2 assistants	20,300
Diploma allowance of assistants	4,800
Salary of typist (rank 7)	5,700
Rent (foreign employees)	36,000
Total	1,146,530

2. Dollars

From previous year	58,801
Expense of 2 students abroad	6,500
Total	65,301

Note: The amount of 5,000 dollars proposed in the previous year for inviting a foreign scholar shall be used this year to send an Afghan research scholar abroad (and in Future)

3. Pounds

From previous year	16,700
Salary of professor of drama	3,600
Salary of professor of French	2,400
Salary of professor of German	2,400
Total	25,100

4. Rupees

Same as last year	7,200

Expenses for 1339

1. Afghanis

From previous year	1,146,530
Salary of 2 assistants	49,100
Printing	10,000
Library	10,000
Boarding	50,000
Composition and translation	10,000
Total	1,275,630

2. Dollars

Same as last year	65,302

3. Pounds

Same as last year 25,100

4. Rupees

Same as last year 7,200

Summary of Expenses for the Faculty of Literature

Years	Afghanis	Dollars	Pounds	Rupees
1335	680,980	43.902	7,200	-
1336	894,630	46,802	16,700	7,200
1337	999,730	58,802	16,700	7,200
1338	1,146,530	65,302	25,100	7,200
1339	1,275,630	65,302	25,100	7,200
Total	4,997,500	280,110	90,800	28,800

THE FACULTY OF SCIENCE

The faculty of Science, from its early beginning, has trained a number of graduates in various branches of science. However, the existance of a number of obstacles has impeded its natural development. In order to solve the existing problems and pave the way for its future development the following five year plan has been drawn up.

1. To improve the living standard of its teaching staff and to attract qualified teachers for the Faculty, pursuant to the general plan of the University, the following salary scales, in addition to their ordinary salaries, are proposed:

   a. For professor, 3,000 afghanis per month
   b. For associate professor, 2,000 per month
   c. For assistant professor, 1,000 per month

The number of students for pre-medical school should be increased as follows:

a. For 1335, forty students
b. For 1336, forty-five students
c. For 1337, fifty students
d. For 1338, sixty students
e. For 1339, seventy students

Note: These incoming students shall not include students entering the Faculty of Engineering and Agriculture.

2. Since living expenses are rising all over the world, the Faculty is unable to recruit foreign professors with present salary scales. Therefore, it is proposed that a monthly salary of 1,500 dollars should be paid to a foreign professor. The Faculty will need seven foreign professors. Their annual salary will, therefore be 7 x 1,500 x 12, or 126,000 $. The present appropriation is $ 1,816,48. The difference of $ 124,183.52 should therefore be appropriated.

3. In order to attract qualified Afghans to become teachers at the faculty the following amounts should be appropriated:

a. Seven professors annual extra salary	252,000 afs.
b. Five associate professors	120,000 afs.
c. Seven assistant professors	84,000 afs.

4. The present supplies and equipment in the laboratories are inadequate. The following amounts should be provided to complete and expand the laboratories:

a. For 1335 -	$ 4,738,60
b. For 1336 -	4,738,60
c. For 1337 -	4,738,60
d. For 1338 -	4,738,60
e. For 1339 -	4,738,60
Total	$ 23,693,00

5. To buy a tape recording machine - $ 300

6. To purchase a projector and a motion picture camera -$ 1,000

7. Publications. So far the Faculty of Science, due to lack of proper means and equipment has not been able to conduct scientific research. For initiating such a programme, publishing a scientific magazine, and purchasing books, 300 pounds and 150,000 afghanis are required annually.

For five years - 1,500 pounds
For five years - 750,000 afghanis

8. Boarding and lodging of students. Since the present appropriation cannot meet the needs of the increasing student body, the following amounts are proposed:

a. 1335	-	195,660 afghanis
b. 1336	-	434,940 afghanis
c. 1337	-	643,650 afghanis
d. 1338	-	914,710 afghanis
e. 1339	-	989,240 afghanis
		3,178,200 afghanis

9. Scientific field trips. For the teaching of science, field trips are essential. Therefore, an appropriation of 30,000 afghanis annually is proposed for five years, or a total of 150,000 afghanis for the five year period.

10. Jeep station wagon. A jeep station wagon should be purchased on field trips. For this purpose 2,000 dollars should be appropriated.

11. Traveling expenses for foreign professors, two trips for one person, 1,700 dollars; two trips for seven person 23,800 dollars.

12. Wages and compensation for authors, translators, etc. for one year, 25,000 afghanis, a total of 125,000 afghanis for five years.

13. For sending students abroad, 4 persons each year:

1335	Traveling expenses of first group	$ 3,535
	Living and other expenses of 1st group	13,000
1336	Traveling expenses of 2nd group	3,536
	Linving and other expenses of 1st group	13,000
	Living and other expenses of 2nd group	13,000

1337	Traveling expenses of 3rd group	$ 3,536
	Living and other expenses of 3rd group	13,000
	Living and other expenses for 2nd group	13,000
	Return traveling expenses of 1st group	5,536
1338	Living and other expenses of 3rd group	13,000
	Living and other expenses of 2nd group	13,000
1339	Living and other expenses of 3rd group	13,000
	Return traveling expenses of 3rd group	5,536
	Living expenses of one person $ 1,768	

Note: Round trip expenses of one person $ 1,768

THE FIVE YEAR DEVELOPMENT PLAN FOR THE FACULTY OF MEDICINE

The Faculty of Medicine

In accordance with the standard laid down in the world, every community must possess one medico for every 4,000 heads of population. Our country is, however, faced with difficulties in this regard since it has been unable so far to provide more than 182 doctors for its 12 million inhabitants. Keeping these figures in view, the need of the country for qualified doctors can be easily gauged.

It should be remembered that the present number of students studying at the Faculty of Midicine is 162. If the Faculty of Medicine should find the ability and power to train 50 doctors every year, it would be possible to procure one medico for every 10,000 persons within a period of 25 years, provided the numbers remain static and the population does not increase. Since this matter has been discussed at the High Council for the Coordination of Medical Services with the recommendation that in order to increase the number of qualifeid medicos it is necessary to increase the number of PBC students. On this bais at least 150 college graduates should be enrolled in the PCB so that the Faculty may be enable toadmit 120 - 130 persons

into the Faculty of Medicine. The effect of this arrangement would, however, be felt by the Public Health Service after 7 years.

After Discussion between the Faculty of Medicine and the Kabul University in this regard, it was decided that the Faculty can enroll 100 College graduates every year as and from the year 1336 (1957). The Faculty of Medicine has, therefore, drawn up its Five Year Development Plan on this basis. It must be remembered that due to the existing lack of suitable buildings and modern laboratiories the Faculty is confronted with difficulties and cannot implement all these recommendations in a proper manner.

If the number of students are incresed, it would, naturally require increased facilities for the fulfilment of the Five Year Plan. Needless to say, the preparation of basic plans for the development of a scientific institution requires minute study. But due to the short time available the Faculty of Medicine has prepared its Five Year Plan on the following lines.

1. The basic subject taught students in the clinic-years should be strengthened. Since the teaching of basic subjects devolves to a greater extent upon suitable equipped laboratories for Anatomy, Biochemy, Histology, Physiology, Bacteriology, Pharmacology and Social Medicine, if 100 students are enrolled, the present building would be able to house only two laboratories. Therefore five new building will be required for the remaining five laboratories. Before permanent buildings for the laboraties are constructed it is necessary to complete the half-finished building of the Faculty of Medicine which has been in an incomplete state for many years. Such a course of action would enable us to temporarily house the laboratories all permanent buildings are built for them, when the spane thus vacated would be utilised for the purpose for which they were originally intended.

a. The unfinished buildings for Bacteriology. Its foundations have been built to a height of 2 meters, its plans should be

studied. If it is found to confirm to our ideas then it should be implemented as it is, otherwise the necessary changes should be effected.

b. Completion of the buildings for the Surgical Section. Its building is still incomplete, although several million afghanis have been spent on it. It should be completed without dely.

c. The remaining incomplete buildings. Half-finished buildings behind the Hospital for Mental and Nervous Diseases should be completed and given over to the School of Male Nursing.

d. New buildings which should be put up in accordance with the present needs:

1. Permanent buildings for four laboratories
2. Buildings for a Hostel to house approximately five hundred students. 300 of them students of the Faculty of Medicine and the remaining 200 of the school for male nurses. The hostel should be built near the Faculty of Medicine.
3. A building for Research, or a building for Zoological experiments.
4. A building to house a workshop for repairing machinery and laboratory and surgical tools.

Note: Funds for the construction of buildings have been incorporated in the Five Year Development Plan of the University of Kabul.

The Faculty of Medicine maintains 18 chairs, 4 of which are subsidized by the World Health Organisation. These 4 chairs have not been filled by the WHO in the last 4 years, and so we also incorporated the salaries of these 4 professors in our Five Year Plan. Since the chairs for Forensic Medicines and Anaethesia were also necessary for the syllabus of the Faculty, these two chairs were also added.

At present we are permitted to pay a salary of $ 800.00 per month to our professors. Since capable persons could not be attracted at this salary, we have raised the salary from $ 800 to 1500 per month. According to these calculations the amounts needed will be:

Increase in the salaries of 14 professors at $ 700 each (700 x 14-9, 800 x 12-117, 600 x 5) in five years.	$ 588,000
Salaries of 5 new professors at $ 1,500 each (1,500 x 5-7,500 x 12 - 117,600 x 5) in 5 years	450,000
Salary of one specialist in Anaesthesia at $ 600 (600 x 12-7,200 x 5) in five years	36,000
Traveling allowance for 6 professors at $ 1,700 each for two journeys (in five years).	20,400
Fellowships, annually $ 8,840 educational expenses of 5 doctors awarded fellowships, in five years, annually $ 16,250	125,450
Cost of a motor vehicle to seat 20 persons for foreign professors	6,000
Total	$ 1,225,850

Estimates of the cost of laboratories during five years, calculated in accordance with the recommendations of the professors of each service, and on the basis of the WHO book:

Laboratory for Anatomy	40,072 in 5 years
Laboratory for Biochemy	106,611 in 5 years
Laboratory for Histology, Pathology and Autopay	91,600 in 5 years
Laboratory for Pharmacology and Toxology	150,000 in 5 years
Laboratory for Physiology	130,844 in 5 years
Laboratory for Bacteriology and Parqsitology	105,323 in 5 years

Laboratory for Social and Prebentive Medicine	32,000 in 5 years
Total	656,450

Books and periodicals for the Library, at $ 3,000 per annum (in 5 years)	$ 15,000
Total	671,450

Salaries and Expenses (in 5 years)	1,225,850
Laboratories and equipment (in 5 years)	671,450
Grand Total	1,897,300

Note: The dollar portion of funds needed for the Laboratories in five years should be provided as under:

First year	$ 300,000	
Second year	100,000	
Third year	100,000	
Fourth year	100,000	
Fifth year	56,450	
		$ 656,450

Since the number of students of the Faculty is increasing, a corresponding increase has resulted in the teaching staff. We have arranged for 10 senior Afghan specialists to attain the status of professorship within the next five years. Six Lecturers and eleven Assistants have also been added to the teaching staff of the Faculty. According to the Pohantoon (University) the amounts payable as monthly salary (Professional) to Afghan Professors and Lecturers are 3,000 and 1,000 afghanis, respectively. Two of the ten Afghan Professors will be employed between 1956 and 1960, and the remaining eight between 1958 and 1969.

Professors, Lecturers and Assistants
Requirements of the Administrative and Instructional Directorates
Requirements of the School of Male Nurses
Requirements of the Nursing School for Women
Requirements of the Office of the Dean, the Students, and the Administrative Directorates
Boarding and Lodging Expenses of Boarding Students of the Faculty of Medicine

Total of the above expenses for five years: 15,660,200 afghanis

Note: The following funds for contigencies should also be taken into consideration.

Funds needed for one year:

Dollars	7,000
Pounds sterling	500
Afghanis	200,000

For five years

Dollars	35,000
Pounds sterling	2,500
Afghanis	1,000,000

Total amounts (including contingency fund) needed by the Faculty of Medicine in Five years:

Dollars	1,932,300
Pounds sterling	2,500
Afghanis	16,660,200

The Faculty for Pharmaceuticals. Since no one in Afghanistan holds a diploma for compounding medicines, and because, according to universal practice, each and every pharmacy should be run by qualified chemists (as decided by the High Council for Health Services) as also to procure qualified personnel to exploit medicinal herbs available in the country, the Kabul University was directed to open a Faculty of Pharmaceuticals within the framework of the Faculties of Medicine and Science. Since

the present number of students of the Twelfth Grade are insufficient, it has been decided to open the Faculty in 1958. The rist group of students to enrol in this Faculty would be 10.

1. The normal salaries and expenses of this Institute will be as under:

Salary of one foreign instructor for 3 years (1958 - 60)	28,800 dollars
Traveling expenses and return journey for above	1,700 dollars
Expenses of a Pharmaceutical Laboratory	30,000 dollars
Total for 3 years	60,500 dollars

2. Afghani Portion of Expenses:

Normal stipends and expenses of students for 3 years (1958 - 59 - 60)	300,000 afs.
Salary of Afghan Teachers, 2 persons of Cadere III for 3 years (1958 - 59 - 60)	72,900 afs.
Professional allowance of above 2 teachers, for 3 years (1958-59-60)	146,000 afs.
Salary of one Interpreter, non-official, for 3 years (1958-59-60)	54,000 afs.
Miscellaneous Expenses for 3 years (1958-59-60)	60,000 afs.
House Rent Allowance for 3 years (1958-59-60)	36,000 afs.
Total	668,900 afs.

Although the Dean of the Faculty of Medicine shall supervise the Faculty, yet the following officials will be needed for its administraction:

One Senior Assistant, Cadre VIII	4,620 afs.	p.a.
Three Senior Assistants, Cadre X	10,872 afs.	p.a.
One Storekeeper, non-official	6,000 afs.	p.a.
One orderly, non-official	1,440 afs.	p.a.
Total	22,892 afs.	
Total expenses for 3 years	737,576 afs.	
Total expenses for 3 years	60,500 dollars	

SUMMARY OF THE FACULTY OF MEDICINE'S FIVE YEAR DEVELOPMENT PLAN

Description	1956	1957	1958	1959	1960	Total
1. Difference of salaries of 14 Foreign Professors at $ 700 per month	117,600	117,600	117,600	117,600	117,600	588,000
2. Salaries of 5 Foreign Professors at $ 1,500 p.m.	90,000	90,000	90,000	90,000	90,000	450,000
3. Salary of one Specialist on Anaesthesia at $ 600 p.m.	7,200	7,200	7,200	7,200	7,200	36,000

Description	1956	1957	1958	1959	1960	Total
4. Traveling expenses of professors, Return journey at $ 1,700 each	10,200	-	-	10,200	-	20,400
5. Educational and traveling expenses of 5 doctors granted fellowship	25,090	25,090	25,090	25,090	25,090	125,450
6. Cost of one motor vehicle for the professors	6,000	-	-	-	-	6,000
7. Cost of books and periodicals for the library	3,000	3,000	3,000	3,000	3,000	15,000
8. Cost of Laboratory equipment	300,000	100,000	100,000	100,000	56,450	656,450
Total	559,090	342,890	342,890	353,090	299,340	1897,300

AFGHANI PORTION OF EXPENSES UNDER THE FIVE YEAR PLAN OF THE
FACULTY OF MEDICINE

Description	1956	1957	1958	1959	1960	Total
1. Professor, Cadre I - 2 persons. Cadre-salary, 21,000 afs. per annum each; professionel	42,000	42,000	210,000	210,000	210,000	714,000
allowance 36,000 afs. p.A. each	72,000	72,000	360,000	360,000	360,000	1,224,000
2. Lecturers, Cadre III					(64 persons)	
33 persons, professional allowance	792,000	792.000	1,392,000	1,536,000	1,536,000	145,800
24,000 afs. per annum each				72,000	72,000	6,008,000
3. Assistants, Cadre V - 47 persons; Cadre-Salary 9,000 afs.; 11 persons, professional	99,000	99,000	99,000	99,000	99,000	495,000

(Continued)

Description	1956	1957	1958	1959	1960	Total
allowance 1,000 afs.; 47 persons	564,000	564,000	564,000	564,000	564,000	2,820,000
4. Laboratory Foreman Cadre VI - Six; salary 6,000 afs. p.a.	36,000	36,000	36,000	36,000	36,000	180,000
5. Peons for Laboratories, 13 persons Salary 1,680 afs. per annum	21,840	21,840	21,840	21,840	21,840	109,200
6. Difference of salary of Derector from Cadre III to II, 1 salary, 1,200 afs. per annum	1,200	1,200	1,200	1,200	1,200	6,000

(Continued)

Description	1956	1957	1958	1959	1960	Total
7. Difference of salary of Director from Cadre V to IV, 1 salary, 1,200 afs. per annum	1,200	1,200	1,200	1,200	1,200	6,000
8. Artist, Cadre IV one salary, 10,200 afs. per annum						
9. Senior Assistant For School for Male Nurses, Cadre V; one salary, 2,400 afs. per annum, Profes- sional salary, 9,000 per annum	2,400 9,000	2,400 9,000	2,400 9,000	2,400 9,000	2,400 9,000	12,000 45,000
10. Senior Assistant for Department of Corres- pondence, Cadre VI, one salary, 6,300 afs. per annum	6,300	6,300	6,300	6,300	6,300	31,500

(Continued)

Description	1956	1957	1958	1959	1960	Total
11. Senior Assistant for Department of Supplies, Cadre VII, two persons Salary 5,700 afs. per year	11,400	11,400	11,400	11,400	11,400	57,000
12. Senior Assistants Cadre VIII; three persons; Salary 4,620 afs. per annum	13,860	13,860	13,860	13,860	13,860	69,300
13. Senior Assistant Cadre X; seven persons Salary 3,630 afs. per annum	25,410	25,410	25,410	25,410	25,410	127,050
14. Lady Assistant, Cadre VI; one person; Salary 6,300 afs. per annum	6,300	6,300	6,300	6,300	6,300	31,500

(Continued)

Description	1956	1957	1958	1959	1960	Total
15. Pashto Teacher, Cadre VI; One person; Salary 6,300 afs. per annum	6,300	6,300	6,300	6,300	6,300	31,500
16. Cashier, Cardre VI; Two persons; Salary 6,000 afs. per annum	12,000	12,000	12,000	12,000	12,000	60,000
17. House Steward, Cadre XII; One person; Salary 3,600 afs. per annum	3,600	3,600	3,600	3,600	3,600	18,000
18. Laundryman, Cadre XII; One person; Salary 3,600 afs. per annum	3,600	3,600	3,600	3,600	3,600	18,000
19. Cook, Cadre XII; One person; Salary 3,900 afs. per annum	3,900	3,900	3,900	3,900	3,900	19,500

(Continued)

Description	1956	1957	1958	1959	1960	Total
20. Assistant Cook, Cadre XVI; One person; Salary 2,400 afs. per annum	2,400	2,400	2,400	2,400	2,400	12,000
21. Gardeners, Cadre XVI; Three persons; Salary 2,400 afs. per annum	7,200	7,200	7,200	7,200	7,200	36,000
22. Electrician, Cadre VI; One person; Salary 6,000 afs. per annum	6,000	6,000	6,000	6,000	6,000	30,000
23. Mason, Cadre VI; One person; Salary 6,000 afs. per annum	6,000	6,000	6,000	6,000	6,000	30,000

(Continued)

Description	1956	1957	1958	1959	1960	Total
24. Maid-servant for the School of Women Nurses, Cadre XVI; Three persons, Salary 2,400 afs. per annum each	7,200	7,200	7,200	7,200	7,200	36,000
25. Barber, Cadre XII; One person; Salary 3,600 afs. per annum	3,600	3,600	3,600	3,600	3,600	18,000
26. Artist/Photographer, Cadre I; One person; Salary 18,000 afs. per annum	18,000	18,000	18,000	18,000	18,000	90,000
27. Boarding and Lodging Expenses of Boarding and Day Scholars	212,080	334,480	403,350	852,880	1,097,630	3,067,850
Number of Students:	30	80,72	130,139	180,221	230,287	
28. TOTAL (Afghanis)	1,877,640	2,132,590	3,557,440	3,923,890	4,168,640	15,660,200

Amounts set aside as Contingency Fund:

Annually	In 5 Years
7,000 Dollars	35,000 Dollars
500 Pounds	2,500 Pounds
200,000 Afghanis	1,000,000 Afghanis

Total Expenditures, including the Contingency Fund:

15,660,200 Afghanis; 1,932,300; 2,500 Pounds Sterling

FIVE YEAR DEVELOPMENT PLAN OF THE ALIABAD MEDICAL INSTITUTIONS

The Aliabad Medical Institutions constitute the training field of the graduates of the Faculty of Medicine. From the point of view of training facilities for the students of the Faculty of Medicine, the Medical Institutions are presently large enough, and contain enough beds for this purpose, but due to lack of modern hospitals in the country, the hospitals of the Institutions have a dealwith nearly all patients in the country. If the hospitals of the Institutions are further expanded the real object, that is training students, will be lost sight of, because the hospitals attached to the Faculty should deal with interesting medical cases alone. According to this idea the Medical Institutions do not wish to increase the number of beds in its hospitals. Since a separate Plan has been drawn up for the development of its hospitals, the following improvements are necessary for the professors and students of the Faculty to use them to full advantage:

1. Machinery and Tools. Existing machines and implements in the hospitals are fast becoming absolute due to the rapid changes in modern hospital equipment. The existing machines and implements are being used by the Medical Institutions since 20 years. Most of them have run out, and others which may be used with repairs have become unserviceable due to the absence of spare parts within the country and abroad. This difficulty

can be overcome by the following means:

Procurement of new implements and X-ray and electrical equipment during the first year	$ 100,000
Procurement of spare parts to last at least ten years	1,000
Setting up a Repair Workshop for the above initial expenses	10,000
10 % increase over a period of 5 years	5,000
Training expenses of 5 technicians for repairs during the years 1957-1958	50,180
Salary of one foreign technician for 3 years, at $ 6,000 per annum	18,000
Traveling expenses of above technician, First Class fare	2,000
House rent allowance for technician	12,000 afs.

2. Defects in supply of electricity in Kabul makes proper use of the electrical equipment of the Medical Institutions difficult. This is more injurious when we see that electrical equipment costs us a lot of money. It is therefore necessary to purchase four 50-KW generators for the Aliabad Sanatorium, the Women's Hospital and the Central Hospital:

Cost of four electric generators	$ 100,000
Expenses of the repair shop at $ 1,000 per annum	5,000
Cost of diesel oil at 100,000 afs. per annum	500,000

3. Purchase of Surgical Equipment

During the first year	$ 30,000
During the following 4 years at $ 10,000 per annum	40,000

4. Cooking Facilities and Protection of Food stuffs

2 large refrigerators for the Aliabad and Women's hospital	$ 10,000
2 Kitchens, equipment with modern	4,000
Technical Department for Dietetics:	
Salary of one Dietician at $ 6,000 for 3 years	18,000
Traveling expenses (including return trip)	1,800
House rent allowance at 12,000 afs. per annum	36,000 afs.
Equipment for the kitchen at 50,000 afs. per annum	250,000 afs.
Improvement of drinking water	10,000 and 50,000 afs.
Canalisation	10,000
Laundry with modern equipment	10,000
Heating equipment and repair (at the Sanitarium)	10,000
2 Electrical Lifts	5,000
Furnishing for the hospitals of the Medical Institutions	20,000
Cost of beds (700)	50,000
Total	$ 515,980 and 1,148,000 afs.

5. Increase in the Staff. Since in the future years the number of professors, students, and technical personnel will increase, it will be necessary to increase the number of administrative and accounting personnel in a corresponding measure. This would antail:

. Difference in Cadre-salaries. Since all Afghan teachers at the Faculty of Medicine have been placed at Cadre I, and the Chief of the Medical Institutions will be appointed from among Afghan instructors, the present Cadre of the Chief, i.e., Cadre II, will have to be raised to Cadre I.

Difference of salary between Cadre I and II	3,750 afs.
Deputy Chief, from Cadre III to II	5,400
Directors of Personnel and Supplies, Cadre IV to III	3,900 (two)
Senior Assistants for the Supply Department of Aliabad and Women's Sanitarium, two, Cadre IV to V	5,400
Laboratory Assistants, Cadre XI to X	3,300
Qualified Nurses, 63, Cadre XI to X	20,790
Assistant Telephone Operator (salary increase)	1,200
Increase in the pay of 5 motor drivers and 2 Cleaners, total 5 persons	9,600
Increase in the salary of Head Tailor	600
ONE YEAR TOTAL:	53,940 afs.
FIVE YEARS TOTAL:	269,700 afs.

b. Increase in the number of officials and employees in accor- ... ith the new accounting system enforced by the Department of Accounting of the Prime Minister's Office, and the netting up of Commissions for inspections and purchases, and a Directorate of Inspections and Auditing. The following personnel will be required:

Director of Inspections, one, Cadre IV	10,200 afs.
Directors of Supplies, two, and Member of the Department of Inspections, three persons Cadre V	27,000
Cadre VI officials (in the Directorate of Supplies, 5 persons; Personnel, 1 person; Inspections, 1 person; total 7 persons),	74,100
Senior Assistant for Supplies, two persons, Cadre VIII	11,400
Senior Assistants for Supplies, Cadre VIII (Supply Department 7 and Inspections 1, Total 8)	36,960
Senior Assistants Cadre X (Supplies 5; Inspections 1; Correspondence; Women's Sanitarium 1; Central Hospital 1; Total 9 persons)	32,670
Senior Assistants, Cadre XI (Women's Sanitarium 1; Central Hospital 1; Aliabad Sanitarium 3; Total 5 persons	16,500
House Stewards, Cadre XII (unofficial), 2 persons	3,600
Undertakers (one male and one female), non-official, Cadre XVI	4,800

TOTAL APPROPRIATIONS REQUESTED FOR 1 YEAR 241,170 afs.
TOTAL APPROPRIATIONS REQUESTED FOR 5 YEARS 1,205,850 afs.

Note: The following amounts must also be provided for a Contingency Fund:

For one year	500,000 afs.
	2,000 Pounds
	2,000 Dollars
For five years	2,500,000 afs.
	10,000 Pounds
	10,000 Dollars

TOTAL AMOUNT FOR 5 YEARS INCLUDING CONTINGENCY FUND:

4,877,850 Afghanis 10,000 Pounds 525,980 Dollars

FACULTY OF THEOLOGY

This Faculty came into being in 1330. Its aim is to train such Islamic scholars who, in addition to being well versed in Islamic learning should have a good background in the modern sciences, philosophy, logic, and one foreign language. These scholars should be able to become judges, missionaries, and teachers of theology. The faculty is faced with many problems, among which the following, lack of a proper building, is included. The problems and their solutions are given below:

1. The Faculty building. The Faculty of Theology is at present housed in Zehar Hotel in Paghman. The building is not at all suitable for a faculty. Its distance from Kabul has created a number of administrative difficulties. Under such circumstances the contact of its students with other university students, which is so important from an educational point of view, is impossible. The funds necessary to build a new building for the Faculty of Theology are given in the general plan of the university and need not be repeated here.

2. The Teaching Staff. The number of capable professors in the Faculty is limited. The following professors should be recruited as of 1335:

One professor for Islamic law.
One professor for philosophy and comparative law.
One professor for civil and penal law.

The cost of recruiting these professors for one year will be as follow:

Salary of 3 professors for one year	5,400 Pounds
Traveling expenses	510 Pounds
House rent	36,000 Afghanis
	29,550 Pounds and
	180,000 Afghanis

Note: These professors will be recruited from one of the Arab countries.

3. The Faculty of Theology should train Afghans to become teachers in the faculty, so that gradually the need for foreign professors is done away with.

For this purpose, one every other year 3 capable students from among the graduates of the faculty should be sent to Egypt to study at Ashar University.

The expenses for study abroad over a five year period will be as follows:

1335	1,440 Pounds
1336	1,080
1337	1,800
1338	1,080
1339	1,800
Total:	7,200 Pounds

4. For buying books, and magazine subscriptions, 30,000 Afghanis per year, for five years, 150,000 Afghanis.

5. <u>Extra teaching salaries of Afghan staff:</u>

3 professors, 5 year salaries	540,000 Afghanis
3 Associate professors, 5 years salaries	360,000
2 Assistant professors, 5 years salaries	120,000
TOTAL FOR 5 YEARS:	1,020,000 Afghanis

6. <u>Miscellaneous:</u>

Sports equipment for one year	14,000 Afghanis
Unforeseen expenses: 50,000 Afghanis per year for	250,000 Afghanis
5 years 200 Pounds per year for 5 years	1,000 Pounds

7. <u>Summary of Expenses:</u>

<u>1335</u>

Salary of foreign professor	5,400 Pounds
Expenses of students abroad	1,080
Traveling of students abroad	360
Traveling of foreign professors	510
Unforeseen expenses	200
TOTAL	7,550 Pounds

Extra salary of Afghan professors	108,000 Afghanis
Extra salary of Associate professors	72,000
Extra salary of Assistant professors	24,000
House rent of foreign teachers	36,000
Publications	30,000
Sports equipment	14,000
Unforeseen expenses	50,000
TOTAL	334,000 Afghanis

1336

Salary of foreign teacher	5,400 Pounds
Traveling expenses of foreign teachers	510
Study expenses abroad	1,080
Unforeseen expenses	200
TOTAL	7,190 Pounds

Extra salary of Afghan professor	108,000 Afghanis
Extra salary of Associate professors	72,000
Extra salary of Assistant professor	24,000
House rent of foreign teachers	36,000
Books and magazines	30,000
Sports	14,000
Unforeseen expenses	50,000
TOTAL	334,000 Afghanis

1337

Salary of foreign teachers	5,400 Pounds
Traveling expenses of foreign teachers	510
Study expenses abroad	1,080
Traveling expenses of students abroad	360
Unforeseen expenses	200
TOTAL	7,550 Pounds

Extra salary of Afghan professors	108,000 Afghanis
Extra salary of Associate professors	72,000
Extra salary of Assistant professors	24,000
House rent of foreign teachers	36,000

Books, magazines, etc.	30,000 Afghanis
Sports	14,000
Unforeseen expenses	50,000
TOTAL	334,000 Afghanis

1338

Salary of foreign teachers	5,400 Pounds
Traveling expenses of foreign professors	510
Expenses for study abroad	1,080
Unforeseen expenses	200
TOTAL	7,190 Pounds

Extra salary for Afghan professors	108,000 Afghanis
Extra salary of Associate professors	72,000
Extra salary of Assistant professors	24,000
House rent of foreign teachers	36,000
Books, magazines, etc.	30,000
Sports	14,000
Unforeseen expenses	50,000
TOTAL	334,000 Afghanis

1339

Salary of foreign teachers	5,400 Pounds
Traveling expenses of foreign teachers	510
Expenses of students abroad	1,080
Traveling expenses of students abroad	720
Unforeseen expenses	200
TOTAL	7,910 Pounds

Total Expenses for five years:

Pounds	37,390
Afghanis	1,670,000

Note: The above amounts are in addition to the appropriations for 1334 budget.

FACULTY OF WOMEN

FIVE YEAR PLAN

The faculty came into existance eight years ago and so far four rounds of graduates have left the faculty to enter into government service. This is the only institution in the country where higher education is provided for women. The primary aim of the faculty was to train teachers for the secondary schools for girls and the pursuance of this aim still continues. However, recent developments in the faculty of women education in general makes it necessary that, besides training women teachers, the faculty should devote its efforts to training women in other fields such as home economics, child training etc., so that in the future women of the country will be able to contribute to the making of an improved society.

The Five Year Plan for the Faculty of Women has been drawn chiefly to move toward attaining this objective.

1. Salary and expenditures for 1335

Dean of the faculty, rank 2, annual salary	17,550 Afghanis
Professional salary	4,800
Assistant dean, rank 4, annual salary	10,200
Professional salary	2,400
Salary of one professor, two associates, and two assistants, annually	184,950
Two office messengers, annual salary	12,120
Librarian	10,200
Khana Saman (housekeeper)	3,150
Coal	3,000
Storekeeper	5,400
Two Peons	2,880

Publications and library books	30,000	Afghanis
Publications and library books	500	Dollars
One home economics teacher (foreign)	5,400	
Traveling expenses for above	1,000	
House rent for above	12,000	Afghanis
Sending one student abroad	3,250	Dollars
Expenses for 50 students	108,500	Afghanis
TOTAL	419,700	Afghanis
	11,034	Dollars

2. Salary and expenditures for 1336

Traveling expenses for foreign teacher	1,000	Dollars
Study expenses of one student abroad	3,250	
Expenses for 100 students	239,000	Afghanis
TOTAL	658,700	Afghanis
	15,284	Dollars

3. Salary and expenditures for 1337

Afghanis	3,901,900
Dollars	152,790

4. Salary and expenditures for 1338

Afghanis	3,758,500
Dollars	157,674

5. Salary and expenditures for 1339

Afghanis	3,758,500
Dollars	169,710

Note: For unforeseen expenditures 20,000 Afghanis and 200 Dollars annually are proposed, a total for five years of 100,000 Afghanis and 1,000 Dollars.

SUMMARY OF EXPENSES
FOR 5 YEARS

Year	Afghanis	Dollars
1335	419,700	11,034
1336	789,200	15,134
1337	3,901,900	152,790
1338	3,758,500	157,674
1339	3,758,500	167,710
	12,627,800	506,342

THE FACULTY OF ENGINEERING AND AGRICULTURE

In the recent past the government of Afghanistan has undertaken several projects for the development of the country. Most of these projects have been hampered because of lack of trained personnel. The most important of these is the Helmand Valley Project. The authorities of the valley have always complained of lack of trained personnel. The improvement of roads, bridges, and the development of land for cultivation, the building of dams, etc., all call for trained specialists in agriculture and engineering. These are pressing problems and their solution make the establishment of a faculty for agriculture and engineering a great necessity. The university has, therefore, resolved to lay the foundation of such a faculty to start functioning as of the beginning of 1335. For the time being in the absence of a proper building the new faculty will be part of the Faculty of Science. However, in 1336 after the completion of the needed building it will be separated from the science faculty.

The needed funds for this faculty will be as follows:

Salary of foreign teachers, four persons, at $ 500 per month, annual salaries	24,000 Dollars

Salary of native teachers, 3, rank 3	36,450 Afghanis
Salary of other personnel	239,490 Afghanis 24,000 Dollars
Expenses	831,597 Afghanis & 27,450 Dollars
SUMMARY OF FUNDS FOR 1335	7,071,087 Afghanis & 51,540 Dollars

<u>1336</u>

Salaries	369,290 Afgahnis & 24,000 Dollars
Expenses	1,404,694 Afghanis & 44,945 Dollars

<u>1337</u>

Salaries	369,290 Afghanis & 36,000 Dollars
Expenses	1,901,791 Afghanis & 46,945 Dollars

<u>1338</u>

Salaries	369,290 Afghanis & 36,000 Dollars
Expenses	2,374,888 Afghanis & 46,945 Dollars

<u>1339</u>

Salaries	430,390 Afghanis & 36,000 Dollars
Expenses	2,374,888 Afghanis & 49,600 Dollars

Summary for Five Years

Salaries Afghanis	Dollars	Expenses Afghanis	Dollars	Year
239,490	24,000	831,597	27,540	1335
369,290	24,000	1,404,694	44,945	1336
369,290	36,000	1,901,791	46,945	1337
369,290	36,000	2,374,888	49,600	1338
430,390	36,000	2,374,888	49,600	1339
17;777,750	156,000	78,887,858	215,975	TOTAL

AFGHAN ECPENDITURES FOR THE ENTIRE UNIVERSITY FOR FIVE YEARS

Department	1335	1336	1337	1338	1339
Literature	680,980	894,630	999,730	1,146,530	1,275,630
Science	1,036,660	1,275,940	114,650	1,755,710	1.830,240
Theology	334,000	334,000	334,000	334,000	334,000
University (Central)	5,547,350	15,547,350	15,547,350	10,547,350	5,547,350
Agriculture and Engi-neering	1,071,087	1,772,980	2,271,081	2,744,178	2,805,278
Faculty of Women	419,700	789,200	3,901,900	3,758,500	3,758,500
Law	587,550	437,550	437,550	437,550	437,550
Medicine	11,062,760	2,317,710	3,742,560	3,109,010	4,353,760
Aliabad Health Institute	891,170	115,170	915,170	915,170	892,170
Pharmacy	-	-	421,792	421,792	421,792
TOTAL	21,631,257	24,635,530	30,025,783	22,371,690	21,656,270

PUBLIC HEALTH PROBLEMS IN AFGHANISTAN

The importance of good health is well known to all. If a nation is healthy it is wealthy too. There are numerous communicable diseases which, from a statistical point of view, decrease the nergy of the nation and affect the production of the country. Hence, in this plan for public health, we have taken into consideration two important problems:

1. Curative Medicine
2. Presentive Medicine

At the same time we are in need of personnal badly and it is the function of the Ministry of Education to fulfill our deficiency and train more and more medical and paramedical personell. As soon as the required personnel is available the Ministry of Public Health would be able to strengthen the curative and preventive medicine according to the Five Year Plan.

Curative Medicine: In this section the needs of the Ministry of Health is subdivided into two branches:

1. To establish new hospitals and new medical institutions.
2. To increase the number of beds in the present hospitals.

It is quite clear that the hospitals existing in the country could not meet the needs of the population. Therefore, we should build new buildings and expand our present hospitals, though the urgent cases of surgery are treated in most parts of the country, many cases for diagnostic purpose and modern treatment are transfered to Kabul.

It is under consideration that our medical faculty should be furnished with modern knowledge and information so that the students will be better trained in research and investigation. Therefore, the hospitals which are attached to the Medical Faculty connot be utilized as general hospitals for the treat-

ment of all patients. The Ministry of Public Health, under the Five Year Plan wishes to establish a new hospital with about 300 beds in addition to the already existing hospitals. It should be said that such a hospital requires medical staff such as doctors, nurses, midwives, etc. which at present are not available. Buton the other hand the establishment of a hospital requires some considerable time. Nevertheless, we hope that during this interval the Ministry of Education will be able to prepars the necessary personnel while the Ministry of Public Health will complete the building of the hospital. We also hope, that in five years the hospital, equipped with adequate personnel, will begin to function.

It should be mentioned in this connection that the provinces face the same situation in this regard. It has planned, therefore, that in those areas where health centers do not exist measures will be taken to create new smaller hospitals. In this connection the following measures are under consideration in the Five Year Plan:

1. Creation of a hospital for (300) patients in Kabul
2. Establishment of a new woman's Hospital in Gardiz, Khost, Parwen, Gataghan, and Badakshan, and construction of hospitals in areas where the present female hospitals are accomadated in temporary buildings.

Increase in expenditures. Due to the fact that a substantial increase will take place in the number of beds of the provincial hospitals and due to the establishment of X-ray departments and laboratories, more financial aid will be needed.

Expansion of the Present Organization: The present organization of medical services will be expanded in the following sections in the Five Year Plan:

1. To create a new narcotic department
2. Increase in number of nurses, vaccinators in the provinces

3. Increase in number of administrative staff of the provinces
4. Increase in number of administrative staff of the Ministry of Public Health.
5. Increase in number of interpreters
6. Increase in number of storekeepers of the X-ray departments of the provinces.
7. Increase in number of storekeepers helpers.

Expansion of the Present Health Institutions. In this connection, the following measures are under consideration in the Five Year Plan:

1. Establishment of dentral centers in Qataghan and Jalalabad
2. Establishment of laboratory and V.D. clinics in Khost, Badakshan, Maimana, Ghazni, and Farah.
3. Establishment of MCH clinics in Ghazni and Qataghan.
4. Purchase and establishment of an X-ray department in Gardis.

Increase in numer of beds in existing hospitals. In Ghazni, Parwen, Dizengi, Khanabad, Gardis, Farah, Maimana, Qataghan, Orggon, Mashriqui, and Badakshan.

Preventive Medicine. In the last few years the Ministry of Public Health has put emphasis on prventive medicine. It was on this basis that the Ministry deemed it necessary to establish a Public Health Institute and obtained authorization from the Government. The Public Health Institute will function as a training center for Public Health Officers to meet the country's rising need in this regard, and in the meantime, this Institution will also function as a coordinationg organ to Public Health sister Institutions. Its main activities will consist of campaingn against communicable diseases such as T.B., V.D., typhus; mental health and training Sanitarians.

Health Inspectors, and Doctors, Statisticians, Sanitary Engineers, Health Code Officers; and other Public Health Affairs.

In order to achieve this aim the following considerations are taken for the expansion and development of Precentive Medicine in the Five Year Plan:

1. Supply of Hygienci water for hospitals.
2. Campaign against communicable diseases such as T.B., Smallpox, V.D., Leprosy, Trachoma, Typhus, Typhoid, Dysentery, Cholera, etc.

Mobile Units: In order to expand the areas of medical activities in the provinces and in order to make up for lack of medical personnel, it is considered necessary to put to serve the mobile units and ambulances so that these distant areas could also take advantages of medical services.

Center for Health Education. In preventive medicine it is of utmost importance to obtain cooperation from people who receive the benefits of Medical Services for which purpose maintenance of centers for propaganda and health education is necessary. Therefore, in order to expand the existing publicity centers the following measures are adopted in the Five Year Plan:

1. Preparation of films on health problems
2. Preparation of charts, pamphlets, etc.
3. Azalt machines and necessary equipment

Establishment of Public Health Departments in the Provinces

Up to the present the existing procedure to cope with the health problems has been to treat diseases. The Ministry of Public Health has found that this phase of medical activity does not provide complete health security for the public. It therefore is proposed that a new Health Department be established in each province at the head of which a doctor trained both in curative and prebentive Medicine will be appointed so that he can approach health problems from both angles.

PLAN FOR THE DEVELOPMENT OF VILLAGES

The objectives of the Plan

From the point of view of anthropology and technology, the people of Afghanistan have been left behind several miles in the caravan of today's highly developed society. In order to catch up with other progressive nations of the world the country shall have to move more rapidly and work hard. The most efficient way to achieve our objective is the establishment of community development centers in defferent parts of the country. The guiding principles of community development centers are (1) to encourage the people to work for themselves; (2) to improve their health; and (4) to improve the educational facilities in the villages.

The object of Community Development Programme is not only to provide ample food, clothing, shelter, health, education, and recreational facilities in the villages, all these are there, but more important then all this material improvement is the realization that what what is required is a change in the mental outlook of the people; instilling in them an ambition for higher standards of life and the will and determination to work for such standards. It is conceived as an organized and cooperative enterprise by the people on the one hand and the fifferent Ministries of the Government on the other. It seaks to build up the community and the individual and to make the latter a builder. Not only for his own village, but in the large sense of the country.

Inasmuch as Afghanistan is an agricultural country and its inhabitants, contrary to the other industrially developed countries, are more scattered all over, the problems relating to community development are different here than in most countries. It is necessary that in the villages such elements should be provided as are required for the improvement of agriculture, handicrafts, rural housing, public health and sanitation, social welfare and education, etc.

To attain these objectives the programme of community developmet has to be placed at a high priority within the first five year plan.

The Aim of Community Development Programme

The aim of community development programme is to help and encourage the village people to utilize whatever resouces are available to them for raising standard of living. There are four principles involved in it:

1. To help people to help themselves
2. To increase the income of the farmers through economic activities
3. To improve their health and living conditions
4. To expand educational opportunities for the rural people

The first step in this direction is to discover the immediate needs of the people. This could be done through discussions and close contacts with the people. It is possible that a large majority of the rural population may not be able to express their felt needs, but it is the duty of the experts to try to define those needs and to make them aware of those needs. They should, further, guide the people in ways of solving those needs.

Furthermore, priority has to be given to those needs which are expressed by the people themselves.

The Government shall endeavor to appoint trained and experienced officials to teach better techniques and practices to the farmers in different fields. The experts of the Ministry of Agriculture shall work in close collaboration with the officials of the Community Development Programme in the villages.

The Ministry shall further make available necessary tools, implements and supplies to demonstrate the new techniques to the farmers. Thus, through practical demonstrations in the rural surroundings, the people could be encouraged to adopt better practices and techniques to improve their standard of living. The Programme also includes the setting up of an organization for advancing loans (agricultural credite) to the farmers for the purchase of better types of farm tools, implements, seeds, and to help them to improve their irrigation facilities. In the field of small industries, people should be ecouraged to mett their courrent needs in clothing and other daily requirements for which they depend on outside markets. It is eventually hoped that the farmers shall produce more than what they normally consume to artisans in the village, such as blacksmiths, coppersmiths and the owners of flour mills, should be assisted with a view to improving their respective vocations.

Marketing facilities should be improved, and if the people so desire, cooperative societies should be improved, and if the people so desire, cooperative societies should be established for marketing the produce.

Among other things, the Community Development Programme should encourage the people to pay attention to health and sanitation activities in the villages. The Ministry of Public Health shall suggest a programme of improving the health and conditions of the people in the villages. The programme shall include, among other things, items of improvement such as provision of clean water for dringing; cleaning houses and villages; construction of public latrines and provision of other sanitary conditions and the control of deseases. The experts assigned for this purpose by the Ministry of Public Health should seek cooperation of the project officials with a view to expediting public health activities in the villages.

In the field fo education, adult courses should be organized and also if the villagers would like, the programme should include the training of workers in different arts and handicrafs. The experts of the Ministry of Education will help the

community project workers in the villages in the execution of this part of the programme.

A complete programme on community development will include the following activities:

1. Social Education

   a. Creating educational facilities with a view to expediting economic development in the villages in the following fields:

      (1) Agriculture

      (2) Vocational training

      (3) Cottage and rural industries

      (4) Cooperative organizations

   b. Public health education, including instructions on safe water supply for drinking, and personal and social hygiene.

   c. Principles of civics, including knowledge of the present social structure in the villages.

   d. Education for the proper utilization of leisure hours.

   e. Organization of social gatherings; provision of community entertainment based on local talent and culture; audio-visual aid instruction and recreation.

   f. Education of adults.

   g. Provision of facilities for games and recreation.

2. Agriculture

   a. Reclamation of waste lands and utilization of vacant areas.

   b. Provision of water for irrigation through canals; surface wells, tanks, lift irrigation from rivers and pools, etc

c. Improvement of soil and provision of better seeds and fertilizers, etc.

d. Plant protection and practices.

e. Nursery raising and provision of fruit and vegetable seedlings.

f. Provision of land for fruit and vegetable growing.

g. Tree plantation and afforestation.

h. Dairy and dairy products.

i. Animal feeding and improved breeding practices.

j. Veterinary aid.

k. Development of Inland fisheries.

l. Sericulture.

3. Communications

Provision of roads; encouragement of mechanical road transportation and development of animal transport.

4. Public Health

a. Control of diseases.

b. Problems concerning public health, such as:

(1) Construction of latrines and other sanitary constructions.

(2) Compost pits.

(3) Cleaning of villages and houses.

c. Midwifery and nursing services.

d. First aid treatment for minor ailments.

e. Provision of safe water for drinking.

5. Education

Provision of compulsory at the elementary stage; assistance in the establishment of high and middle schools; organization of social and fundamental programmes and library services.

6. Cooperatives

a. Principles of mutual cooperation.

b. Organization of cooperative societies.

c. Organization of training and producing centers.

7. Housing and Shelter

Provision of improved techniques and design for rural housing.

8. Development of local leadership

Organization of village councils to develop leadership in order to shoulder the planning and execution of development activities.

9. Training

a. Training of local artisans for better production.

b. Training a corps of community development workers such project officers, village level workers, and village leaders.

c. Orientation training in the principles, practices, and philosophies of community development to the agricultural officers, veterinarians, agriculture enginners, social education officers, medical officers, etc.

10. Education and Research

Setting up an organization to conduct researches in the methods of community development and evaluation of results of the operating programmes.

People's Participation: The Crux of the Programme

This list is formidable, both in scope and magnitude. Government agencies, however extensive they may be, cannot implement a programme of this character on their own. The existing financial resources of the government can cater only for the essential items of development primarily concerned with the community as a whole provided every item of expenditure can be supported by the village people with their own contributions in cash or voluntary labor during off hours and off season. A substantial part of the development, therefore, necessarily falls on the shoulder of the villagers themselves, and the governmental agencies acting as complements to the people in every phase of work and at every stage of the programme. In other words, the programme is intended to be people's programme with government participation.

At the outset the capacity of the government to organize a popular movement of this kind may be questioned. In fact, however, the government has already undertaken to provide many of the services which are contemplated in the village development plan. In the fields of agriculture, health, and education, for example, the government is now providing extensive services to the villagers, and an expansion of these services is planned by the appropriate ministries. The significant feature of the village development plan is that the field services of the concerned ministries, which are now scattered and uncoordinated, will be brought into relationship with each other, so that each will complement and support the other, leading to a balanced development and a higher standard of living in all aspects of rural life. This conclusion is supported by the experience of several countries of Asia and the Middle East which have adopted coordinated village developments plans.

In this country, too, the Royal Government of Afghanistan in its series of efforts to raise the economic standards of the rural people and to relieve them of the several handicaps, started a pilot project in village development in Lagar Valley in September 1954.

This project, in a short space of time, has made considerable progress and has brought into realization many new techniques and practices through which rural people can be mobilized into action to help themselves with a minimum of outside assistance. Based on thes experiences within this country and outside, the government is now in a position to consider the expansion of this popular movement to build the rural economy.

First Stage: Planning

Administrative organization and setup.

1. The Community Development Programme has necessarily to develop so that the various components in the organization handling the programme retain their individuality and yet function as a whole with reference to the overall objective. For this purpose a National organization will be needed to implement this National programme. This National Organization will have to be presided over by H.R.H. the Prime Minister with other Ministers of the Cabinet representing the development activities functioning as members. The Secretary of this organization will be the Chairman of the Rural development Commission, who, per force, will have to be a very senior official of the Government, having intimate and key connections with the functioning of the National Planning Commission. The executive responsibility for the implementation of the entire programme as community Development shall rest in the Chairman of the Rural Development Commission.

2. At the project there shall be a Project Executive Officer who shall be required to coordinate the efforts and activities of the defferent Ministries associated in the programme. Hakims and Alaquadars, in the present context, seem to be the only choice for coordinating the developmental activities in therural areas since they are already in the field and are in touch with the people. These shall, ofcours, be assisted by another official in the discharge of their present duties and administrative functions. These Project Executive Officers shall be in charge of the proposed block units comprising an area of about 60 - 100 villages (roughly the present area of

a Hukumat or Alaqadari) and having a population of approximately 40 - 100 thousand people. Where the present size of a Hukumat or Alaqadari will be small the areas could be adjusted for purpose of administrative convenience.

To assist the Project Executive Officers in technical matters, there shall be a group of specialist or technicians consisting of the following:

a. In the immediate future

(1) Project Executive Officer

(2) Agriculture officer with knowledge of veterinary science

(3) Social Education Officer with knowledge of cooperatives and principles and practices of village participation.

(4) Health and Sanitation Officer

(5) Public Construction Supervisor

(6) Rual workers or teachers of rural schools

b. In the ultimate setup

(1) Project Executive Officer

(2) Agriculture Officer

(3) Agriculutre Engineer

(4) Veterinary Assistant

(5) Social Education Officer

(6) Vocational Education Officer

(7) Cooperative Officer

(8) Cottage Industries Supervisor

(9) Health and Sanitation Officer

(10) Midwives and Nurses

(11) Public Constructions Supervisor

(12) Rural workers or teachers of rural schools

Lastly, to enlist popular support and cooperation of the rural people, autonomous councils or non-official agencies shall have to be created in the shape of non-official advisory bodies alongside the members of the project administration.

3. The key-functionary in the programme are the village workers and the school teachers. They shall be provided with practical knowledge and field experience in the different fields of operations, such as agriculture; veterinary and animal hunbandry; health and sanitation; adult-education; social education; cooperatives; handikrafts and in village participation techniques and methods, etc.

These, more or less multi-purpose trained, workers shall be alloted a few villages (approximately five to ten depending on the population; the distance between the villages and the physical, social, and economic conditions of the area). Thus, the village workers and the school teachers shall constantly function as friends, philosophers, and guides to the rural people and will, further, act as a link between the technicians of the different Ministries stationed at the project headquarters and the farmers. The village workers or the school teachers, as the case may be, shall be expected to work as the sectretary of the Village Development Council. They will function in close collaboration with the members of the council such as the Bakils (representatives) and the Malik (village chiefs), etc.

Training of Personnel

The biggest limiting factor in the expansion of the Village Development Programme in Afghanistan at the present time, and which is likely to continue for some years is, however, the availability of trained supervisory statt, technicians and field workers in large numbers. Some of the needed personnel will be assigned by the associate Ministries to the Rural Development Commission while others will be provided from the training centers which will be established through government finances in different parts of the country and assisted by the

associate minstries. These centers should be established during the first and second years of the plan, especially, to provided needed personnel for the programme in future years. Foreign experts in different technical fields, who shall be required in accordance with the attached schedule, will be requested through the concerned specialized agencies of the United Nations and/or ICA.

Number of Experts Required

Year	Nature of Project	Project of Rural Development	Training Centers	Total Number	Courses	Total Expenses
1335	1. Development of Rural Project and Administration	2	-	2	UN or ICA	$ 20,000
	2. Agricultural Development	2	3	5	UN or ICA	50,000
	3. Veterinary Services	-	3	3	UN or ICA	30,000
	4. Agricultural Farming	-	3	3	UN or ICA	30,000
	5. Fundamental and Social Education	2	2	4	UN or ICA	40,000
	6. Technical Education	-	2	2	UN or ICA	20,000
	7. Handicrafts	2	2	4	UN or ICA	40,000
	8. Cooperatives	2	2	4	UN or ICA	40,000
	9. Child Health	2	6	8	UN or ICA	80,000
	10. Public Hygiene	2	6	8	UN or ICA	80,000
	11. Female Education	2	-	2	UN or ICA	20,000
	12. Technicians	-	12	12	UN or ICA	120,000
		16	41	57		$ 570,000

Year	
1336	As per above
1337	As per above
1338	As per above
1339	As per above

According to the schedule, by the end of 1339 about 2,220 villages of the total of 24,000 villages in the country will benefit from the plan as suggested below:

Year	Intensive Development of about 60 villages and a yearly budget of two million Afghanis.	Extensive Development Blocks and Training Center, 30 to 60 villages and a yearly budget of 25 million Afs.	Approximate number of villages to be covered in the years of operation.	Total (Afghanis)
1335	2	3	300	6,8 Million
1336	3	32	1620	31,8
1337	5	32	1740	35,8
1338	7	32	1860	39,8
1339	13	32	2220	51,8
				166 Million Afs.

Note: By the end of the year 1339 a total of 9600 persons will receive training. This will permit placing of at least 26 blocks unter the Community Development Programme. It could even be possible to extend this programme all over the country.

It is therefore, imperative to set up with immediate effect a number of training centers in different parts of the country to provide training in extension methods, village participation techniques, principles, and practices only. The basic training has to be imparted by the concerned Ministries in the Government. In the interim period, however, if the associate Ministries in the programme are unable to cope with the pressing needs of the community development, and if they agree,

the Rural Development commission with their assistance could undertake the establish specialist training centers of short duration.

The following table gives and account of expenditure involved, in case the government agrees to open short duration specialist training centers and other types of regular training courses.

To insure that a programme of this type moves along the right lines and that in the process ot its implementation the fundamental objects are not lost sight of, it is deemed necessary that an independet organization to be known as Programme Evaluation Organization is established to undertake concurrently with the implementation of the different activities in the field a programme of research so that the programme meets with success and brings about good reflections.

Financial Resources

On the basis of the prepared schedule, annual allocations are being fixed in respect to this plan. More over,the following will also extend their respective assistance to this programme:

SCHEMATIC

Type of Training Center	Total No. of workers to be trained	Total No. of Extension Training Centers required	Duration of Training	No. of workers to be trained in each course.	Estimated cost of one trained center per year in Million Afghanis	Total cost in Million Afghanis
1. Project Executive Officers	300	One center for 3 years	3 months Extension training	36	0,33	1,0
2. Agriculture technicians such as Agriculture Officers; Veterinary Officers; Agriculture Engineers	600	Three centers for 6 years	18 months, including 3 months Extension training	50	1,5	27,0
3. Health technicians such as Sanitation and Health Officers, Nurses, and Midwives	1,500	Six centers for 6 years	12 months, inclusive of 2 months Extension training	42	1,0	36,0
4. Education and Cooperative technicians such as Vocational Education and also Cooperative Officers	1,200	Two centers for 6 years	6 months, inclusive of Extension training	50	0,50	1,0
5. Village workers and Rural School Teachers, etc.	6,000	20 centers for 3 years	One year Extension training	50	0,71	85,0
				Total for six years:		150,0

1. Local

Associate Ministries, both by making available to this programme the services of their technical personnel and securing cooperation of their provincial organizations, and through supplies to the extent possible, will render assistance to the Village Development Programme.

2. Foreign

A request shall be made to the United Nations and its specialized agencies (such as UNESCO, FAO, UNICEF) as well as to the ICA to make available to this programme the services of a number of experts required in the initial stages in different fields. The number of foreign experts will be kept at a minimum to insure participation of local personnel in different technical, philosophic and ohter aspect of the programme.

The United States International Cooperation Administration will also be apprached to make substantial contributions to meet the requirements of imported supplies, equipment, materials, and foreign personnel. Similarly, the Ford Foundation (and also, if possible, Asia Foundation) which has been traditionally liberal in its contributions to such large scale activities all over the world, shall be requested to assist generously in the several phases of the Community Development Programme in Afghanistan.

Immediate Steps

A five year plan on Community Development is a comprehensive task. It requires, in its preparation, a close cooperation of the associate ministries in the programme and the different international agencies. It will, therefore, be advisable to appoint a committee of the following to go into further details and advise the government on the future course of action. This committee should include a representative of the following:

1. Ministries of National Economy, Agriculture, Health, Education, Mines and Industries, Public Works and Interior.

2. Associate agencies of the United Nations such as UNTAA, UNESCO, WHO, FAO, ILO, and UNICEF.

3. International Cooperation Administration of the United States, including the division of Agriculture, Health, Industry, Education, and Rural Development.

Meanwhile, the government should go ahead with its plans of the opening of new training centers as suggested earlier and train enough technical people for future expansion schemes.

KABUL CITY PROJECT

Kabul City Development Project

Include the following Projects:

1. Public Parks	Dollars	Afghanis
a. 1335	$ 2,000,000	-
b. 1336	1,000,000	-
c. 1337	1,000,000	-

2. Water Supply	Afghanis	Dollars
a. 1335	9,045,204	270,000
b. 1336	5,040,000	350,000
c. 1337	18,060,000	1,780,000
d. 1338	8,610,000	395,000

3. Electricity	Dollars	Afghanis
a. Street Lights		
(1) 1335	52,000	
(2) 1336	48,000	

4. Asphalting Streets	Dollars	Afghanis
a. 1335	160,000	10,000,000
b. 1336	180,000	10,000,000
c. 1337	180,000	10,000,000
d. 1338	180,000	10,000,000

KABUL MUNICIPALITY'S FIVE YEAR PLAN

	1335	1336	1337	1338	1339
Water	9,045,204	5,040,000	18,060,000	8,610,000	-
Pipes and Equipment	1,680,000	1,680,000	1,680,000	-	-
Asphalting	1,000,000	1,000,000	1,000,000	1,000,000	-
Sewage System	-	-	-	3,819,000	6,511,400
TOTAL IN AFGHANIS	11,725,204	7,720,000	20,740,000	13,429,000	6,511,400
TOTAL IN DOLLARS	5,273	300,921	82,654	16,920	24,479

THE MUNICIPALITY PROJECT

	1335	1336	1337	1338	1339	Total
Kabul Munci-pality	2,650	6,508	13,363	4,310	-	27,831
Other Munici-palitities: Provincial capi-tal cities' water supply	932	1,032	932	932	832	4,650
TOTAL:	3,582	7,540	14,295	5,242	832	32,481

	1335	1336	1337	1338	1339
Foreign Exchange Expenses Million Dollars	523	1,116	2,816	1,231	100

IV. MINERAL DEVELOPMENT SECTION

Since the exploration of minerals in Afghanistan is still in its preliminary stages and further studies are required, within the period of five years the carrying out of the following plan of activity is under consideration:

1. Oil

a. Beginning and continuing the drilling for oil and search for mineral oil deposits in Sar-Pul.

b. Continuation of Geological and Geophysical Surveys in the oil-bearing areas of North Afghanistan.

The northern provinces of Afghanistan show possibilities for the underlying of mineral oils. Such territories include the area between Taluquan on the east, to Iranean border on the west, and includes the area between south of Amu Darya to north of Hindukush.

Premiliminary geological observations of the whole areas have been completed during the last thirty years. The anticlyne, supposedly the oil reserves, have been located. It is now the time for the completion of further procedure such as vast geological surveys, drilling to show stratigraphic structures and geophysical surveys. All preliminary steps leading to such accomplishments have been taken. It is hoped that the first drill will be put into operation at Sare-Pul sometime around April of this year (1956).

c. Geophysical surveys to be carried on the country's south-western territories where possibilities exist for the existance of oil.

's a result of the Geological Surveys conducted by Mr. Fuas, Dr. Tromp, Dr. Popal and Arnold Heim, it has been considered necessary to complete the Geophysical surveys of the southwestern territories of Afghanistan. These territories comprising the Helmand Valley and Chakhnasur have favorable stratas that could justify the accoumulation of mineral oils.

2. Coal

a. Intensive surveys in Ishpushta and Kar Kar coal mines in a measure to prepare the mines for the mining of such quantities of coal as to meet the future demands will be carried on.

(1) Ishpushta Coal Mine. Twenty thousand Kharwars of coal shall be mined annually from the coal mine at Ishpushta. The main marktes for coal from the Ishpushta mine are at Kabul and Gulbahar.

To mine this quantity of coal, the present prospects shall continue. Also, development operations shall continue in accordance with separate brochures that shall be pur under operation by the Union of Coal Mines.

During these five years the machinery requirements shall be supplied for the mechanization of this mine. Means for the welfare of miners also shall progress in accordance with the plan.

(2) Kar Kar Coal Mine. The coal of this mine is in demand by the Textile Company of Pulikhomri and Gulbahar, Sugar Factory of Baghlan, Cement factories of Pulikhomri and Jabalussaraj and by the Grain Elevater of Pulikhumri.

It is planned to mine a quantity of twenty to thirty thousand tons of coal beginning with the necessary surveys, prospects, and development works shall be required. This shall be undertaken in accordance with the plan prepared by the Union of

Coal Mines. For the fulfillment of those operations arrangements have been made to supply technical equipment to extend power wiring from Pulikhomri to Kar Kar, to plant a forest over an area of 200 Jareebs of land, and to establish a coal briquet plant at Pulikhomri. The Union of Coal Mines endeavor to accomplish all such supplies. It is hoped that the development works in this mine will be completed as planned.

b. Fundamental survey and preparing of the coal mine for the mining of 2,000 Kharwars of coal from Ishpushta and of thirty to forty thousand Kharwars of coal from Kar Kar, and to undertake prospective work at the coal deposits of Darra-i-Suf.

In addition to the development work to be undertaken by the Union of Coal Mines, complete survey and prospecting shall also be carried out in Kar Kar and in Ishpushta coal mines by foreign organizations. After the completion of the survery a plan shall be prepared for the systematic mining of the forementioned quantities of coal from Ishpushta and Kar Kar mines. Also, a project shall be prepared for the mining operations of coal from Darra-i-Suf. All such prospects shall be completed during five years.

c. Survey and Exploratory work for coal on the Southern ranges of Hindukush.

Until now, not big or economically useful coal mine has been discoverd south of Hindukush. Some coal bearing sites that have been observed do not show suitable quality of coal. Hence, on the southern ranges of Hindukush necessary prospecting shall be conducted. Such prospecting comprise three states, als follows:

(1) General Geological Survey of the area concerned.

(2) Preliminary prospecting for coal in the convenient aites.

(3) Final exploratory work in the useful deposits, if deposits are found.

d. Surveying of the road to join Darra-i-Suf with the main Kabul highway.

The coal deposits of Darra-i-Suf located around 250 kilometers south of the city of Mazar-i-Sharif, are considered as the main coal resources of the country in the future. The coal is of high quality and is a cooking coal. This coal is a valuable surce for the future industrialization of the country.

These coal mines, particularly the deposits at Sha-Bashak, have been connected with the city of Mazar-i-Sharif by a newly constructed road. No road has yet been constructed to connect this mine with Kabul. As a result of the present studies completed by technicians of the Ministry of Mines, the construction of the following roads are planned to be undertaken for the area of Darra-i-Suf. The construction shall proceed after the necessary are completed:

(1) Construction of a road fifty kilometers long from Mader, in Khomard, up to Chel Ab-Khorak by route of the pass called Qara Kotal.

(2) Construction of a road from Chel Abkhorak up to Shah Bashak.

(3) Construction of a road from Qali-i-Sarkary Darra-i-Suf up to Dahan-i-Tor where there is located a big coal deposit.

(4) Construction of road to connect the coal deposits at Shah Bashak, Dahan-i-Tor and Qabr-i-Afghan.

The survey of these roads shall be carried out during the five years. This work will be implemented by the Ministry of Public Works.

e. Coal production from Darra-i-Suf and from Herat to meet the local demands of these two centers.

To supply coal for the fuel consumption required by the city of Mazar-i-Sharif, it is planned that this will begin with mining coal systemtically from the mine at Dahane Tor. Since the preliminary prospecting work in that mine has been completed, the project has been made to mine three to five thousand tons of coal per annum. During five years this source of coal will help to supply the requirements of fuel for the city of Mazar-i-Sharif.

The construction of the road joining Qala-i-Sarkary to Dehana Tor mentioned under item (d) will also be completed.

Coal of Herat. Although the use of coal in the city of Herat at present is very limited, it is hoped that in the near future with the gradual use of coal and with the establishment of capril manufacturing plant the use of coal fuel shall be increased During the five year period of this plan it is considered that coal mining at Herat be continued to the extent that the mine timber can be made available. Mine timbers are available in the area surrounding the coal mine, therefore planting shall be carried out to make a forest over a territory of 300 to 500 jaribs of land.

f. Completion of further surveys leading to the manufacture of cokes. A project to introduce the coke industry and to produce a quantity of 10,000 tons of coke a year is planned.

The industrial centers of Kataghan, Gulbahar and Jangalak consume 600 tons of coke a year. In order that we meet the present demand for coke, a project is underway according to which a quantity of 10,000 tons coke would be manufactured during the coming two years. This would come from the coal mine of Darra-i-Suf. To do this the following steps undertaken for Darra-i-Suf together with construction of a road will be completed first. Negotiations are going on now with a foreign manufacturer of coke. Three years from now the coke industry at Darra-i-Suf wil begin production.

g. General improvement of roads to salt mines.

h. Installation of a ropeway at Taluqan salt mine.

i. The using of simple machinery in the salt mines.

j. Start with production of salt from the salt brines of Herat, .. construction of a road from Ghoryan to the salt brines.

3. Metallic Minerals

a. Mining of Beryl in accordance with the project already approved.

b. Survey to determine the possibilities for extracting five to ten thousand tons of iron annually. If possible, extraction of iron from its ore in Jabulussaraj, which is included in the industrial plan, shall also be undertaken.

c. Survey to locate the rare metal deposits and mines in Afghanistan.

d. Survey of copper mines and study of the possibility of extracting metallic copper.

4. Non-Metallic Minerals

a. Survey of sulphur mine at Mazar-i-Sharif. Plan for the mining of twenty to thirty thousand tons of sulphur annually. Proceed if possible with the industry of sulphur refining.

b. Mining, cutting and sale of Lapis-lazuli in large amounts.

c. Slate mining, in case of long-range success, tiles for roofs would be widely introduced.

5. General Plans

a. Enlargement of the Geological Survey of Afghanistan under a bureau has been approved. The country's map of Geology shall be completed.

b. Established within the framework of Geological Survey.

c. Beginning the aerial survey of the country.

d. Introduction of the general regulations and laws concerning mines in Afghanistan.

Afghan Experts and Engineers needed for the
five year plan to develop mineral in Afghanistan

Personnel	Degree	Number	Remarks
Geologist	Bachelor	22	about 5 for each year
Topograph (Survey Engineers)	Bachelor	37	8 for each year
Geo-physicist	M.Science	23	4 for each year
Chemist	Dr.	11	2 for each year
Mining Engineer	B.Science	25	5 for each year
Mineralogist	B.Science	25	5 for each year
Construction	B.Science	19	4 for each year
Electrical	B.Science	2	
Sulphur Refining	B.Science	1	5 for each year
Machine	B.Science	25	
Metallurgist	B.Science	1	5 for each year
Chemical Engineer	B.Science	25	
Petroleum (field)	M.Science	5	1 for each year
Ropeway	Dipl.Engineer	1	
Drillers	AIT Graduate	16	3 for each year
Technical Crew	Mechanics School	131	26 for each year
Law Specialist	Faculty of Law	1	
	TOTAL	583	

Note: The total of 583 technical personnel and engineers are needed for the development of minerals in Afghanistan. This tatal number will be supplied through the cooperation of the Ministry of Education.

Afghan Engineers needed for the five

year plan to develop Industries

Personnel	1335	1336	1337	1338	1339	Total
Engineers:						
Construction	34	26	6	-	-	66
Machine	14	15	11	5	2	47
Textile	15	8	5	4	-	32
Electrical	7	4	4	4	4	23
Chemical	4	8	10	2	-	24
Cement	1	-	1	1	-	3
Steel	-	1	1	1	-	3
					TOTAL	198

Estimation of expenses for the five year plan

for mineral development

1. Oil and Survey

Expenses for drilling operations during the first year	$ 150,000	(already provided)
Equipment and drilling rig	400,000	(already provided)
Transportation of equipment	20,000	
Expense for 4 years drilling operations	600,000	
Tools and equipment for drilling	980,000	
Expenses connected with drill sites and topographic work	550,000	
Unforeseen expenses	50,000	
Geophysical Survey in North Afghanistan	500,000	

Geophysical Survey in Southwest Afghanistan	200,000

1. Coal Mines

Ishpushta and Karkar Equipment for mining, transport, explosives, price of briquette plant	900,000
Coal prospeeting in Saighan Tala and Barfak and Coal prospeeting in South of Hindukush	20,000
Expenses for road construction at Darra-i-Suf with the cost of mining equipment for Darra-i-Suf	250,000
Equipment and machinery for the coal mine of Kuruch Herat	100,000
Coke manufacturing annual production five to ten thousand tons	500,000

3. Salt Mines

Bangie bridge	5,000
Air Ropeway of Taluqan	100,000
Equipment and supplies for salt mines	50,000
Construction of road from Ghoryan to the salt mine	20,000

4. Metals

Explosives and mining supplies for the mining of 50 tons of beryl per year	25,000
Expenses for mining of iron ore to be used for production of 5,000 to 10,000 tons of iron per year	500,000
Expense for prospecting of radicative minerals such as uranium, etc.	25,000
Copper mines	25,000

5. Non-Metallic Mines

Prospecting, equipment and refining of sulphur from Chemtal	400,000
Mining equipment, explosives, laboratoriy, and other needs for mining of Lapis-lazuli	25,000
Mining equipment and employment of foreign expert for slate mines	10,000
Expenses for Geological Survey	35,000
Complete aerial topography of Afghanistan	400,000
Contingency funds	310,000
Total expenses ...	$ 10,750,000

Expenses in Afghan currency for the five year plan (Afghanis) 120,000,000

V. INDUSTRIAL DEVELOPMENT SECTION

Lack of development in various industrial fields is considered one of the main causes of backwardness in Afghanistan. Over eight per cent of the industrial needs of the country are imported from abroad. At present there are many reasons which indicate the necesaity of promoting the existing industries and the establishment of new industrial enterprises.

A firm and permanent foundation can be established for the general economic development of a community when a reasonable balance exists between industrial and agricultural development proved faoved forable as a result of reasonable calculations and studies, favourable opportunity for industrial Development should not be missed. Negligence increases economic and social risks.

Today we are obliged, not simply because of millitary and political conditions but because of economic and social needs, to establish new industrial enterprises. The main purpose are:

1. To limit the payments in foreign exchange;
2. To increase the productive capacity of the country;
3. To raise the people's standard of living;
4. To create employment;
5. To increase the national income;
6. To bring about favorable changes in the social structure;
7. To produce a new and modern thinking in the educational and social life based on industry and technology; and finally;
8. To introduce new sources of income to the Government.

These are all considered necessary for the welfare of the country. These aims can be achieved to a great extent by establishing and developing industrial enterprise in the country.

The fundamentals of the program to improve and develop industries are considered to be the following:

1. Basic aims of industrial policy;
2. Facilities and encouragements in industry;
3. Control and supervising of industry;
4. Organization and administration of industrial enterprises;
5. Cottage industry; and
6. Industrial projects.

1. Purpose of industrial policy. It is very important to determine a policy for industrial development in Afghanistan. In accordance with such policy the future industrial life of the country can be ascertained and development can proceed easily and rapidely. Any step that could be taken to improve the industrial development of the country shall give no result as its purpose remains undetermined. To the extent that is has been studied, the following fundamentals should be considered with regard to the policy on industrial development:

a. The extent of the government's activity in establishing and operating the industrial enterprise;

b. Creating confidence and stability for private enterprise;

c. The industries that shall have priority for protection;

d. The extent of government leadership in organizing and managing the administration of works concerning industry; and

e. Inviting foreign capital for industrial development.

2. The extent of activities directed to establish and operate the industrial enterprise.

The limits of government activity in the country's industrial work shall be as follows: Excluding the industrial branches connected with the manufacture and production of war materials or connected with the business of energies such as electricity, coal, oil, and atomic energy, every other kind or industrial enterprise shall be independent in the business. Such independece shall be guaranteed in accordance with the existing regulations or in accordance with any regulation that might be introduced in the future.

Note: The institutions that conduct the generation of electric energy with a capacity of less than five hundred kilowatt are considered excluded from this category.

3. Creating confidence and stability for private enterprise.

In line with the purpose of the policy on industrial development great importance is attached to the protection and security of private enterprise. It is necessary to see that the private enterprise fell assured and secured that government guarantees them full independence and allows them every facility for encouragement in their business life.

4. Priority for protection. It is of great importance from the point of view of policy on industrial development to allow priority for the establishment and protection of some particular industries. Such industries constitute those which are needed by the country to a greater extent.

As a result of careful studies of the country's source of foreign exchange, its financial ability and its urgent need for some of the most necessary industrial enterprises the following classifications have been made to suit the existing as well as the immediate future needs of the country.

a. Mining exploitation industries;

b. Industry on power generation;

c. Agricultural industries, livestock and farming industries for which the needed raw materials could be supplied entirely from within the country;

d. Handicraft industries (cottage industries);

e. Building and construction materials;

f. Industries for which the raw materials are imported from abroad;

g. Transport industrial enterprise (workshop).

It is to be mentioned that the industries connected with the manufacturing of war material are not included in this classification. The industry connected with war materials can always have priority. Also, such a classification may not be interpreted to embrace and give priority to the order in which the classes are writhen. Preference can be given to nay item on the basis of importance relative to conditions and time.

The items herein compiled have been studied with full consideration as far as credit relative to foreign exchange in concerned. Also, for the custom facilities and for the

arrangements against foreign competition regulations have been adapted.

5. Limit of the leadership of the state in industrial enterprises.

The system adapted by the government in the field of economic activities is the system of a guided economy. For explaining the purpose of this policy for industrial enterprises the extent of government leadership in industrial business should be determined. As far as it has been studied and investigated it has been considered that the government leadership should not take the form of direct interference in private industrial enterprises. To clarify this, the leadership shall be limited to the following: The government shall conduct leadership in a measure to provide maximum use from the industrial activities and to harmonizeit with the public benefit in accordance with the rules and regulations on encouragement and protection of industry. Such leadership shall be made available pertinent to the kind of industry, date and place of establishment, method of supplying raw material, machinery and tools, for production, technical and administrative organizations, recruitment of specialists, and pertinent to the supplying and training of employees and skilled workers needed for the industrial enterprice.

Note: Concerning this regulation shall be made and some rules shall be compiled that shall come into force soon after legal actions.

6. Use of foreign capital. It is clear that there is not enough capital in the country for industrial development. Due to this reason one of the purposes of policy of industrial development should be to attract foreign capital. Although domestic capital should be provided from within the country, the major part of the industrial firms and the materials needed for it are to be imported from abroad. Arrangements will be made and new regulations will have to be enacted by the provisions of

which import of foreign capital will be encouraged. In the meantime long-term credit will be sought from the international financial agencies.

7. Facilities and encouragement for industry. Industrial development in the country, the direct result of which would be the raising of the nation's productive level, shall not be achieved unless every means of encouragement and facilities are provided by the government. Because in a country like Afghanistan where enough use has not been made from its natural resources and the idea of industrialization has not developed in the minds of the people, it is necessary that the government pay full consideration for providing necessary facilities. Such facilities and encouragements by the government shall be clearly known so that the industrialists proceed with establishing and operating their industrial enterprise in the country. The encouragements can be explained as below:

a. Exemption of capital goods from custom duties and taxes.

b. Securing credit for industry;

d. Miscellaneous helps.

a. Exemption from custom duties and taxes. Exemption or reduction in custom duties and taxes should be allowed in the following deals for the industrial organizations.

(1) Income tax. The following exemption and reduction in the income tax has been considered in the taxation section:

(a) Industrial enterprise that sould be established in accordance with the enacted regulations would be exempt from paying fixed and progressive income tax on their enterprise.

This exemption shall be in force for the period of three years beginning with their date of commencing production.

(b) Stockholders and participants of industrial enterprises shall be exempt from paying tax until the date the industry commences its production

Note: Qualifications of the industrial enterprises and the methods sanctioned for the establishment shall be determined in accordance with regulations enacted separately.

(2) Custom duties: In order that the government succeed with its aims of developing industries, ist is necessary that all the means of encouraging industry should be applied. The existing regulations on encouragement should be in accord with the necessities of new industrial projects that would be undertaken in line with this plan or in line with any other favorable schemes. Fundamental aids and improvements should be provided.

The new enacted regulations for industrial encouragement in which the extent of exemption from custom duty shall be indicated shall come into force during the first year of this Plan.

b. Long-term credit for industry. For the development and growth of heavy industry in the country the use of private capital and private enterprise are not considered to be sufficient. Private investment alone connot encourage heavy industry in the country. It ist therefore required that long-term, low interest credits be supplied for industrial development. For this purpose an Industrial Bank with a capital of six hundred million Afghanis will be established.

c. Supplying of foreign exchange. There is no doubt that it is unfeasible to establish and operate the industrial enterprise without the use of at least some foreign exchange, because any kind of industrial firm needs machinery, tools, and materials that should be imported from abroad. Buildings would require some construction material that will have to be imported. Operation and development of the enterprise would often depend upon cooperation and endeavors of specialists recruited from abroad, or trainees would be sent for learning abroad. All of these certainly need foreign exchange. Such foreign exchanges should be supplied by the Government.

The foreign exchange required for the industrial projects that are enacted in this plan are supplied by the Government as explained under a separate title in this plan. However, there might be a number of small scale industries that might be created during the period of operation of this plan. For the promotion of these kinds of industries a sum of one million dollars has been alotted for the five year period of this plan. This sum of one million dollars shall be allocated and spent under the sponsorship of the Ministery of Mines and Industries.

d. Miscellaneous helps. The assistance that would be offered under this plan would also include the following:

(1) When land for residential quarters of employees, hospitals, clubs, etc. is required by the industrial enterprises that shall be established in accordance with this or any other similar project and the requirement is certified by the Ministry of Mines and Industries, it could be disposed of as follows: Government owned land shall be sold with a ten year term of payment. Municipal lands situated near the location of industrial site shall be provided with a term of five year payment. If the land is privately owned it shall be dealt with in accordance with the private property enactment.

(2) Industrial products shall enjoy necessary protection and exemption from custom duties.

(3) School and industrial institutions shall be obliged to use the products of national industries.

(4) All the industrial enterprise shall pay for the consumption of electric energy the price that shall be at least fifty per cent cheaper than the price of electricty paid for in the town.

(5) For the encouragement of industry necessary premiums shall be paid to industrial institutions and firms who export to foreign countries the products of domestic industry. Such premium shall be determined by the planning Board.

8. Control and supervision of industry in the country

Control and supervision in the country is not only a duty for the existing economic order, but also necessary to rationalize the industrial activities to increase production capacity. Consequently, regulation of the use of foreign exchange would stop unnecessary expenses. It also facilitates the ypplying of enacted regulations. Such control should include the following purposes:

a. Supervising, encouragement, and provision of facilities.

(1) In order to make sure whether the industrial enterprise has suitably used the assistance and facilities provided by the Government, it is necessary that the Ministry of Mines and Industries should form time to time inspect the works of the industrial enterprises.

(2) Price Control. Most of the industrial outputs in the country are fulfilling the requirements of the local markets. They are manufactured for local consumption of the people. To see that the price of the industrial outputs match with the market prices and to see that reasonable profits are earned by industries are very important tasks.

It is required by the general economy development of Afghanistan that the fixing of prices shall be considered on the basis of reasonable return for the encouragement of industry in the country. As such the suggestion is being made as follows:

(a) The Committee on Industry has the authority to fix such a sale price on industrial products that the return on industrial investment should be more than the commercial profit. However, this kind of price should extend for the first three years.

(b) The profit shall be controlled through the Ministry of Mines and Industries.

(3) <u>Control of supplying the machinery parts.</u> The purpose of this control is to oblige the enterprise for the import and ownership of spare parts required by the industry. This procedure is necessary to make sure that the industry does not remain idle due to the lack of machinery parts and that the national investment is not wasted. The project that indicate the kind of machinery that should not be imported without spare parts shall be enacted simultaneously and shall be enforced accordingly.

(9) <u>Organization and administration of the industrial works.</u>

The industrial plants shall be placed under operation in accordance with the project, and also the different industries that exist at this time should be administered and operated through such organization that no loss should be directed to them. Any mistake that might create loss, or stoppage in the future should be carefully checked. The establishment of a comprehensive and authoritative organization is also necessary to form close ties between different branches of industries and consequenty bans any work dissipation.

a. <u>Duties of the Supreme on Industries:</u>

(1) Investigating of projects on industry to determine whether it is necessary or not to enact and apply such projects.

(2) To consicer the requests for foreign exchange or credits needed by the industrial enterprises.

(3) Control of the result of designed projects while under operation.

(4) Determination of profit for industrial outputs.

(5) To make decisions as to the condition of regulations for the development and improvement of industries.

b. Organization of Supreme Council on Industries. This shall be determined in accordance with a separate brochure.

10. Industrial Projects. The industrial projects that shall be enacted in accordance with this plan or shall be placed under operation are as follows:

a. Electricity.

(1) Sarobi electricity with 22,000 kilowatts of power shall be ready for use during the first year of the plan (end of the year 1956). The remaining expenses of this project add up to $ 2,500,000. This sum is payable by the year 1959.

(2) Second project for Pulichomri electricity. This project with the capacity of 5,000 kilowatts and the expenses of $ 1,500,000 is to be completed within three years.

(3) Naghlu electricity. The electric station of Naghlu with the power generating capacity of 30 t0 40 kilowatt and the total expenses of $ 20,000,000 shall be completed within five years.

(4) Arghandab electricity. The power generating capacity of this station shall be 6,000 kilowatts and the expenses for it add up to $ 2,000,000. The project shall be completed by the end of the first five year plan.

(5) Girishk electricity. The Girishk project with the generating capacity of 2,000 kilowatts shall be completed during the second year of the plan. Its total expenses add up to $ 1,153,000.

(6) Chesma-e-Shafa eclectricity in Mazar-i-Sharif. Generating power capacity 5,000 kilowatts. Expenses $ 2,000,000. Time of completion fourth year of the plan.

(7) Khanabad electricity- Generating power capacity 700 kilowatts. Expenses $ 300,000. Time of completion is the second year of this plan.

(8) Laghman electricity. Power generating capacity 5,000 kilowatts. Expenses $ 3,000,000. Time of completion is the fifth year of this plan. In this expenses is also included the textile project of Laghman.

(9) Maimana electricity. Power generating capacity 350 - 400 Kilowatts. Expenses $ 150,000. Time of completion is considered to be the second year of this plan.

b. Automobile repair workshops.

(1) Jangalak plant. The Jangalak plant comprised of carpentry branch, automobile repair shop, moulding and metallurgy is in the process of development. Carpentry department is completed. The automobile repair shop with the capacity of one thousand automobiles shall be completed within the first two years of the plan. The metallurgical workshop shall be completed by the end of the third year. The expenses for the two las mentioned shops are estimated to be $ 6,000,000.

(2) Herat workshop. With the capacity of repairing 500 automobiles. Total expenses required $ 300.000. Time of completion is the third year of the plan.

(3) Pul-i-Khomri workshop. Is similar to Herat workshop.

c. Textile

(1) Development of Pul-i-Khomri textile. It is planned to increase another 304 looms by the end of 1956. As such the total word-set of Pul-i-Khomri textile mills shall be 854 looms. The factory's output shall reach 25 million meters of cloth. The foreign exchange needed shall be $ 1.200.000.

(2) Gulbahar Textile. The production of this factory reaches 52 million meters of cloth annually. Of this quantity 30 million meters are colored cloth materials. From the total foreign exchange needed a sum of $ 11.600.000 shall be payable by the end of the second year of this plan.

(3) Laghman Textile. This project is considered to be completed within the first three years of this plan. Its expenses involve the electricity project too, and amounts to $ 3.000.000.

(4) Silk Textile. Establishment and operation of silk weaving in Baghlan, Qundus, and Herat is under consideration with an expense of $ 300.000.

(5) The Kenaf (Jute) Factory of Baghlan. With a capacity of 1.500 tons annually. Total expense required $ 500.000. Time of completion the end of the second year of the plan.

d. Cement.

(1) Jabulussaraj Cement. The cement factory of Jabulussaraj with a capacity of 100 tons cement production per day shall be completed during the first year of this plan.

The cost of this factory has been determined to be $ 2.000.000.

(2) Pul-i-Khomri Cement. Cement output capacity 200 tons per day. Time of completion during the third year of this plan. Total expense required $ 2.000.000.

e. Seed Oil and Soap Manufacturing. Seed oil output capacity 4.800 tons per year and soap manufacturing capacity 300 tons per year. The total foreign exchange required for both the factories including the machinery of Kunduz, Khawja Ghan, and Hazrat Iman amount to $ 2.700.000. Until the end of 1958 a sum of $ 1.700.000 is payable.

f. Distillery in Baghlan. In order to use molasses and to install a boiler at the sugar factory in Baghlan it is planned to establish a distillery during the third year of this plan. The expenses needed for this project and for the developing of the Baghlan factory adds up to $ 1.000.000.

g. Fruit preserving factory. It is planned to establish a modern fruit preserving factory in Kandahar during the second year of the plan. The expense needed is estimated as $ 200.000.

h. Tanning.

(1) Kabul Tanning factory. The existing tanning factories of Kabul, namely the Iqbal Tanning factory and the Haider Ltd. Co., have not been able to meet the local demands for Leather Products. This has been due to lack of sufficient finance and technique. It is therefore planned to incorporate both factories into a single organization. Improvements will be made to equip the factories for producing one million leather units. The expenses needed for improvement totals $ 200.000 and is planned to make the factory ready by the third year of the plan.

(2) Tanning at Kandahar. Establishment of Tanning factory at Kandahar with the capacity of 500.000 skins per year and with the expense of $'500.000 is planned to be completed by the third year of this plan.

i. Briquette-making factory. The capacity of this factory shall be 5 to 8 tons of briquette per hour. The expenses needed are estimated as $ 50.000.

j. Wool fabrics Factory. Factories for the manufacturing of wool fabrics are existing at this time in Kabul as well as in Kandahar. The one at Kabul is now obsolute. The other one in Kandahar is considered to be small. Due to the importance attached to wollen fabrics some improvements are planned to be at both of these factories. Also, more studies are to be conducted to develop manufacturing of woolen fabrics. The expenses required for improvement of both factories are estimated as $ 500.000.

k. Porcelain manufacturing factory at Kunduz. It shall be completed by the end of 1956 with the incorporated investments of the Afghan Cotton Company and the Japanese Marobini Company. The foreign exchange covering its expense adds up to $ 50.000. The factory produces 1.200 pieces daily during two shifts of work.

l. Glass manufacturing factory. The glass manufacturing factory shall be established by the fifth year of this plan. Its total expenses shall be $ 300.000. It shall have a capacity of 180 tons. Of this quantity 26 tons shall be plain glass, 24 tons special glass, and the remaining 120 tons shall be ordinary glass.

m. Small factories for manufacturing tiles and bricks. The operation of this factories shall begin during the third and fourth year of this plan. They shall be established at Kabul, Herat, Mazar-i-Sharif and at Pul-i-Khomri. The total expenses are estimated to be $ 100.000.

n. Match manufacturing factory. Improvement and development of the existing match manufacturing factory is planned to be completed with an expense of $ 25.000. The work shall be completed during the first year of this plan.

o. Factory for the manufacturing of fertilizer. For the purpose of developing modern agriculture a factory shall be established for the manufacturing of fertilizer. It shall begin operation during the fourth year of this plan. Its expenses add up to $ 3.000.000.

p. General Laboratory. A general laboratory shall be established at Kabul during the fourth year of this plan. It shall have departments for organic and inorganic analysis. It shall also be equipped to carry out chemical and physical analyses. Its cost is estimated to be one million dollars.

A sum of one million dollars remains to be used if necessary for some small private industrial enterprises that might come into being. This sum shall be deposed of through the Ministry of Mines and Industries whenever it be deemed necessary.

11. Small Scale industry and cottage industries. For the development of small scale industry and handicrafts the following has been planned:

a. Credits. Small scale industry and cottage industries (handicrafts), similar to mist other industries, need inexpensive and vast credits. At the present time the only credit organization for this purpose is the Bank of Agriculture and Cottage Industry. During the next five years this bank should distribute a sum of 40.234.468 Afghanis as industrial credits. The sum shall be distributed under the direction of the Ministry of Mines and Industries. The projects for small scale in-

dustry and handicraft that need credit and that shall be operated in different parts of the country have been enacted in a seperate brochure.

b. Foreign exchange. It shall be necessary to supply foreign exchange for the purchase and import of some small machinery and raw materials which could not be supplied from within the country. Such imports are considered to be needed for the operation of small scale industry and handicrafts. The cost for such imports for the period of the next five years is determined to be $ 1.829.320, and a sum of Rupees 140.300. The method of spending this sum for the import of different kinds of small machinery and raw materials have been determined in secondance with the different regional needs of the country. A separate brochure indicating such regulations has been prepared. The Ministry of Mines shall direct the procedures.

c. Control and administration. All the small scale industry and handicrafts, particularly those requiring foreign credits, shall be examined and considered by the Ministry of Mines and Industries. A board has been organized to examine matters pertinent to small scale industry and handicrafts. This board is representing by responsible members from the Ministry of Education, National Economy, Agriculture, Mines and Industries. Also representatives from D'Afghanistan Bank and the Bank of Agriculture shall participate. The meeting shall take place under the chairmanship of the Ministry of Mines and Industries. The duties and the authority of the board shall be determined in accordance with the rules and regulations that shall be prepared by the Ministry of Mines and Industries. Such regulations shall be studied and enacted by the Cabinet.

VI. COMMERCE SECTION

Objectives of the Commercial Plan

The country, which has started out on an economic development program, is very much in need of a commercial plan, for it is through strengthening commerce that a nation is able to import its essential needs, balance its international payments and at the same time further its efforts toward economic development.

Commercial development depends on the salution of various problems and undertaking effective measures and policies the application of which is not without difficulties.

Since our country is at present an agricultural country and a large portion of its output of agricultural products, and moreover industrial development is in its first stages, it is essential to begin by attempting to increase and improve its products in accordance with the requirements of foreign markets. The country's present economy is based primarily on agriculture and farming priority under the commercial plan is given to improving the quality and increasing the quantity of the various agricultural products so that they may be presented to outside markets in the best form and quality.

One of the objectives is to bring about a favorable balance of payments. For this purpose necessary measures have been taken so that foreign exchange should be used for essential and developmental purposes, and not be expended on imports of luxury goods.

For the implementation of the above objectives the following arrangements and principles are planned:

1. Increase in the quantity and variety of export items.
2. Improvement in sorting and standardizing export items.
3. Development of insurance.

4. Control of imports and regulation of exports.
5. Bringing about a balance of trade.
6. Transit facilities.
7. Development of International Commerce.
8. Establishment of stock and commodity exchanges.
9. Development and extension of commercial training.
10. Improvement and codification of commercial laws.

Increase and variety of products.

As was mentioned before, the country's main products which for many years have been either consumed locally or exported consist of cotton, wool, karakul, carpets, and fresh and dried fruit.

It is known fact that demand supply in word markets bring about such changes in prices which are sometins to the adven-tage and at other times to disadventage of exporting countries. This is especially true of those countries which more or less depend on the export of a few products and are thus subject to various fluctuations in world markets.

It is therefore essential that responsible authorities make necessary steps to avoid the adverse consequences of market fluctuations. Attention should be paid not only to no product, but to the improvement and increase of several products. It is better that encouragement be given to those products which are most in demand both inside and outside the country. In this connection wool and cotton come in the first category and dry and fresh fruits and grain crops in the second category. Due attention should be given to other essential products of the country so that good results for the benefit of the country will be obtained.

Therefore, it is imperative that appropriate measures should be taken in regard to quality and diversification of export products of the country so that if there be unfavorable fluc-tuations in one or more of the products, other products may make up the difference and prevent serious repercussions and crisis.

Different varieties of commercial products which are produced in the country and are consumed locally or exported are as follows:

1. Cotton
2. Different varieties of karakul (skin).
3. Different varieties of karakul wool.
4. Dry and fresh fruits.
5. Opium.
6. Silk.
7. Cowhide - different varieties of skin.
8. Sheep and goat casings.
9. Oil seed such as sesame, flax seed, etc.
10. Medical herbs used in the preparation of medicines and chemicals such as artemisia, anis, and licorice.
11. Asafiotida.
12. Tabacco.
13. Manna, cumin seed.
14. Gum tragacabth.
15. Mineral products such as chrome, talc, sulphur, lead, iron, zinc, etc.
16. By-products or waste products which can be utilized industrially, e.g., from cotton seed, soap, from molasses, spirits, etc.
17. Mineral waters.
18. Olives, in Southern Province.
19. Timber, poplar tress, etc.
20. Jute.

Following is a brief description of each of the country's export products:

Cotton: One of the most important agricultural products is cotton which is in great demand both at home and abroad.

For several years attention has been given to cotton production, especially in the last two years since the establishment of the Cotton Company there has been marked improvement in the quality of cotton seed and in turn in quality and quantity of

the cotton crop. However, in order to further improve the quality and increase the quantity of this important crop, there is great need for better irrigation methods, reclatmation of new land, use of artificial fertilizers, and adoption of modern techniques, extension of credit facilities to farmers, etc. All these have been considered in the appropriate section of the plan.

Increased production of cotton has been realized in Kataghan, Mazar-i-Sharif, Herat and other parts of the country.

Exports of cotton for the years 1330-1333 are as follows:

(In Kl.)

Year	Quantity
1330	5.836.266
1331	13.618.039
1332	10.682.496
1333	12.545.430

To whatever quantity the production of cotton can be expanded it is a source of foreign exchange and increased national production of Cotton in Kataghan and Mazar-i-Sharif Provinces, which is now around 15 thousand tons per year, will be raised gradually during the five year development program to the following levels:

First year plan	20.000 tons
Second year plan	25.000 tons
Third year plan	35.000 tons
Fourth year plan	42.000 tons
Fifth year plan	50.000 tons.

In addition to the steps and measures to be taken by the Ministry of Agriculture and the responsible administrators of the agricultural part of the planto bring about increased cotton production, the following related steps must not be forgotten:

1. <u>Sorting and standardization of cotton</u>. Our cotton for export should have fixed specifications in regard to strength, staple,

quality, color, etc., so that this specific sorting and standard may be maintained and gradually improved.
Studies have been made before in regard to Afghan cotton in comparison to America, Pakistani, and Iranian cotton. The results of the study made on Afghan cotton in London and Berlin may be stated thus:

a. MAZAR Sharif cotton has staple measuring 31/32 inches, is of white color, and has got strength. It is very similar to the American cotton (good middling) and rates from 70 - 80 points higher in price per pound.
b. Khan Abad cotton has 15/16 and 31/32 inch staple; the cotton in oily and of good strength. Similar to American Cotton (Universal); price is 65 points higher.

The above mentioned are varieties which have been produced for some time. Recently, different varieties of seed of the American varietxy have been imported and sown. They have given satisfactory results and are as follows:

Acola, Kaker, Daltapune, and American Mix; fibres 31 to 34 milimeters. Therefore, due attention has been given to the cultivation of these varieties, especially Acola.

Recently such investigation and experimentation have been made by specialists and will continue. Seeds which promise quich growth and give the maximum yield and are most suitable to Afghanistan's climate will be imported and distributed for sowing.

As to the sorting of cotton it may be mentioned that Afghanistan like other countries, such as Egypt, has its own special variety and sorting, and Afghan cotton is exported for sale under its specific sorting and trademark.

2. Pressing and packing of cotton. It is to be mentioned that the Cotton Co-operative Company must take necessary steps so that Afghan cotton may be properly packed and pressed by hydraulic packing equipment at the standard weight in full press. Otherwise, losses would be incurred because of half-press and

chaffy packing. Moreover, freight is charged on the basis of cubic meter. Such losses must be avoided.

3. Increase of land for cotton production:

Planned cotton (Total)		Present Production	Planned Increase in Production	Total Jeribs needed
First year	20.000 tons	20.000 tons	-	-
Second year	25.000 tons	20.000 tons	5.000 tons	71.500
Third year	35.000 tons	20.000 tons	15.000 tons	214.000
Fourth year	42.000 tons	20.000 tons	22.000 tons	314.600
Fifth year	50.000 tons	20.000 tons	30.000 tons	429.000
				1.029.100

Total jeribs in northern Afghanistan except that of Maimana: 3.303.199

Additional land that will be allocated to cotton production during the years of the plan on a percentage basis:

First year	Second year	Third year	Fourth year	Fifth year
--	2/16	6/48	9/50	12/8

Approximate Jeribs of land plotted for the production of cotton:

Irrigation land in Kataghan Province	1.385.288 Jeribs
Irrigation land in Mazar-i-Sharif	1.918.711 Jeribs
1/5 of the above Jeribs	660.799 Jeribs
Irrigation land in Maimana	1.391.732 Jeribs
1/10 of the above land	139.173 Jeribs

Average cotton crop per Jerib 10 Seers; total cotton crop 7.999.720 Seers, equivalent to 56.336 tons.

Land that will be brought under cultivation during the years of the plan in the Helmand Valley:

	First year	Second year	Third year	Fourth year	Fifth year
Marcha	-	-	-	15.000	27.000
Schimlan	-	-	-	20.000	40.000
Dervishan	-	-	-	-	40.000
Seraj	-	-	-	-	32.000
				35.000	139.000
Half allocated for cotton production:				17.500	60.500

Newly reclaimed land that would make up for land put under cotton production in the north:

	First year	Second year	Third year	Fourth year	Fifth year
Bari Takab	-	-	-	-	56.000 Jeribs
Kokcha	-	-	-	-	50.000 Jeribs
Bandi-Kharwar	-	-	-	30.000	30.000 Jeribs
				30.000	136.000 Jeribs
Half of the land in the Helmand Valley that would be plotted for the production of grain:				30.000	139.000 Jeribs
				60.000	275.000 Jeribs

Karakul Skin. Karakul skin is one of the main export items of the country. It has been, for many years, exported to European and American Markets. This export item covers a major part of the country's exchange requirements and remains an important source of foreign exchange for the country. For the last one hundred years Karakul sheep breeding is a common activity among the farmers in the northern region of Afghanistan.

In the early days of its production Afghan merchants exported this product only to neighboring markets and sold it at low prices. Since the beginning of the Twentieth Century when

Karakul skin became fashionable for making overcoats and hats foreign merchants exported this precious commodity to European markets and it was exhibited in International Fairs. Up to the First World War trade in Afghan Karakul skins was carried out mostly by foreign merchants, with no active part taken in by Afghan tradesmen. During the First World War and soon thereafter Afghan merchants began exporting Karakul directly to European markets and particularly developed this trade in England and in other European countries. This resulted in greater benefit to the country's trade. As a result of a better and greater Karakul market in Europe the effects were favorable at home.

The farmers within the country made more efforts toward better sheep bredding; they went so far as to give up the idea of breeding ordinary sheep for their meat such as Ghiljai, Hazaragui, Torki, etc., which were found in large numbers in the Province of Mazar-i-Sharif. Most of the farmers in the sheep-breeding regions switched from flocks of ordinary sheep to flocks of Karakul.

At the end of 1312 conditions were such that it was deemed necessary to declaire the export of Karakul a monopoly of Afghan Nationals. A system of quota allotments was worked out under which every and each corporation and tradesmen who was in this business was assigned an export quota. In the year 1317 (1938) a Karakul Company was established and exportation of Karakul contined under quota allotments. In the year 1318 when Geat Britain enteres the war, European markets were closed to business, and communication by sea became dangerous. Because of these difficulties Afghan Karakul exports were shipped to America. Since the beginning of the Second World War all Karakul has been sent to the United States and sold, except 38.940 skins in the year 1319 (1940) which were exported via Russia to Germany and another lot which was delivered to USSR under a contract.

With the changes and improvements mentioned above, nonetheless, since Karakul plays an important role in our economy and is an important source of foreign exchange, it has not received

sufficient attention. It has ever followed a downward trend. To encourage Karakul breeders in the face of high prices abroad, better price should have been given. On the one hand credit facilities that would have helped ease the difficulties of stock breeders were lacking and on the other hand 10.614.200 Afghanis of the Capital of the Karakul Company, the only firm helping the industry, was transferred directly to help develop Textile Industry.

Since greater attention is needed in this field, the following measures have been taken:

1. The buying price of Karakul has been fixed and announced every year in relation to the selling price abroad. For the last two years a high buying price has been offered and a greater care has been taken so that announced prices are given to the stock breeders.

2. Banks are extending loans to exporters in a greater quantity and at a lower interest rate.

3. The export duty of Karakul has been lowered 50 per cent.

4. Quotas are issued every year in time, so that no Karakul skin is left in the hands of stock breeders.

5. Sorting has been improved and is strictly controlled by a commission.

6. A Karakul Livestock Co-operative with sufficient capital and equipment has been established and put into operation. This co-operative has been charged with helping to increase the production of Karakul skins through better breeding and care of Karakul stock and campaigning against animal diseases and pests.

All these have resulted in raising the confidence of the buyers and now it is possible to sell Karakul skins on the basis of invoices and other necessary documents and small samples.

In order to further accomplish and realize the above golas, full co-operative of the Ministry of Agriculture and National Economy is necessary.

The following data shows the export of Karakul from 1311 to 1334:

Year	Pieces
1311	506.482
1312	1.244.994
1313	1.250.521
1314	1.522.643
1315	1.715.495
1316	1.769.395
1317	913.054
1318	1.816.854
1319	1.924.251
1320	1.839.472
1321	240.187
1322	1.880.120
1323	2.112.204
1324	3.339.825
1325	1.536.717
1326	239.538
1327	2.075.054
1328	1.633.286
1329	2.451.171
1330	1.423.156
1331	1.005.041
1332	1.336.277
1333	1.846.611

The exports for the year 1334 up to the end of Dalwe is 1.676.256 and 786.194 pieces are now being sorted and exported.

This was a short summary of the history of Karakul, however, it must be borne in mind that the above measures and plans are inadequate. In addition to which has been planned in the Agricultural Section to increase Karakul production and encouragement of better breeding, sorting and standardization, packing and curing with the help of specialists should not be forgotten, and further steps must be taken along these

lines in accordance with the market requirements. Similarly, in the first and second years of the plan, two other Karakul Companies with a capital of at least 100 million Afghanis should be organized and established and the present capital of the Karakul Company should be doubled.

As a result of measures and steps to be taken as outlined above, the export of Karakul will be raised in the next five years as follows:

First year of the plan	2/3 Million
Second year of the plan	2/5 Million
Third year of the plan	2/8 Million
Fourth year of the plan	3/0 Million
Fifth year of the plan	3/3 Million.

Wool. Considering our country's temperate climate, fertile lands and favorable soil, it is not only suitable for the cultivation of all varieties of lents, shrubs, and grasses, but also for cattle breeding and the maintenance of livestock. Livestock breeding has, therefore, been indulged in since ancient times, especially in the northern parts of the country where the natural facilities are suitable. Flocks are kept in nearly all parts of the country and quantities of wool are exported abroad every year. In Kabul, Kandahar, Herat, Maimana, Mazar-i-Sharif, Eastern and Hazarajat areas large quantities of wool from sheep of the Ghilza-i-Kandahari, Badghesy, Chilka, Turki, Araby, Karakuli and other breeds are obtained. The elastic properties of Afghan wool makes it eminently suitable for carpet weaving within and outside the country. In this respect Afghan wool has no equal in the world except wool produced in China. A part of the wool obtained is used in the indigenous cottage industries such as the manufacture of felts, woolen sacks, blankets, "Barak", "Kurk" (kinds of tweed), carpets and other materials for covering floors and wearing apparel. In the past the surplus wool used to be marketed, unsorted, unwashed and with large quantities of dust and dirt in it, at extremely low prices in the neighboring countries. This system not only prevented the people from taking full advantage of the better quality of Afghan wool compared to other wool,

but also lowered its quality from what it actually was, due to its unwashed appearance and crude methods of packing.

With the launching of a number of joint stock companies in Kabul, Kandahar, Herat the importance of wool and its value for economic life of the country was realized. These companies, especially the organizations which had been set up to purchase and export this commodity abroad took up the task. Although uninformed about modern methods and techniques of cleaning and marketing, they took over stock from individual traders and owners of flocks and then exported them abroad on a systematic basis.

Technical processes were followed by them to some extent systems of sorting and cleaning were introduced, and ginning and baling machines were imported and installed. In this way Afghan wool recovered some of its value in the foreign marketsand fetched comparatively better prices. The rise in price of wool abroad had a corresponding effect upon flockmen in the country and persuaded them to devote greater attention to the production of wool. Another part of the wool obtained has been used for manufacture of clothing for troops and civilians, and a small quantity is woven into woolen yarn which, due to defects in the weaving process, are unfortunately below par compared with imported woolen textiles and yarns.

The above was a brief resume of wool produced in the country. In the following lines are given defects which have to be removed:

1. In order to differentiate between their flocks most flockmen use certain colors and dyes on the animals which cannot be washed away with the elementary processes now used, these dyes sprend to other wool and reduce its price.

2. Shearing is not done correctly and scientifically. Due to the absence of modern facilities (procurement of which is not difficult), and the carelessness and the lack of skill of the shearers, the better portions of the wool are left adhering to the skin of the animals, thus shortening the wool staple

with a corresponding lowering of quality and quantity.

3. Washing is performed with cold water which does not remove the fatty matter covering wool. Since wool ist washed on river banks and in ponds, besides leaving the fatty matter intact, additional foreign matter such as particles of and, mud and other impurities are added to it.

4. Due to the absence of hydraulic presses in the northern provinces and Herat, the wool taken is not properly baled. The only baling press exists in Kandahar. Sorting is not done correctly to enable Afghan wool to be market in accordance with the different qualities.

A study of these defects, therefore, shows that:

a) In the absence of proper baling of wool produced in the northern provinces and Herat. These are pressed and baled abroad at exhorbitant charges.

b) The loose bales result in huge bundles of light weight thus subjecting them to higher freight rates.

c) The wool contains from 27 to 30 per cent dust and other impurities. Therefore, instead of paying freight on 100 per cent wool (were is properly cleaned and washed), we have the charges on these impurities.

d) A sort of mistrust exists about Afghan wool in foreign markets because, unless they open each and every bale to find out its quality and extent of cleanliness, etc., the buyers will not purchase it.

Sale of wool, especially by individual exporters, is not made on proper lines, because most of our exporters lack capital and procure their merchandise on loans. Since they cannot wait for better prices they dump it on the first market. Another factor which affects prices is lack of information possessed by them about foreign markets, inasmuch as instead of taking their wool to the larger markets, they take it to small local markets where it fetches low prices.

e) A large number of sheep are transferred to better pastures across the border in winter. Since these sheep are sheared during their stay abroad, large quantities of the previous material are irretrievably lost to us.

f) Scientific methods for caring for raising sheep have to be taught to owners.

Preventive measures against disease and paresites which attach flocks or prevent reproduction could not be taken on a large scale. There is, therefore, every likelihood of nearly 30 per cent of sheep perishing due to these reasons every year.

g) A number of pastures exist in the country which are used by flocks in spring. These pastures have the following defects:

1. Some do not possess facilities for drinking water, or are situated a long way from rivers and watering places.
2. Some are overgrown with weeds which are injurious to sheep.
3. Others are situated a long way from villages and other places where flocks are bedded at night. 'Some have over-grazed and have become bare.
4. Sufficient food (fodder) does not exist for flocks in winter, because in spring when grass is abundant no steps are taken to conserve fodder in dried form.

<u>Practical steps for the improvement of wool</u>. According to available statistics, out of the total amount of wool produced in the country nearly 6.000 tons are exported and 2.000 tons are used within the country every year. These 2.000 tons are mostly utilized for the weaving of carpets, felt, tweed, etc., for local use, but it cannot be said with surety whether this wool is entirely used for these purposes. Losses of wool occur due to the transfer of wool bearing sheep abroad and smuggling others out of the country. Even then it is possible that with

judicious management exports of wool abroad may be substantially increased. For this purpose it will be necessary to adopt the following measures during the development plan:

1. Establishment of joint stock companies for the export of wool and co-operatives.

   In order to organize and develop exports of wool, the Ministry of National Economy early in 1955 launched a Company with a capital of 100 million Afghanis. The main objectives of this company are:

   a) To increase production of wool and the develop exports;
   b) To purchase and improve methods of sorting, washing, and pressing wool;
   c) To discover markets for the sale of wool;
   d) To expand and develop factories for washing and pressing wool; and
   e) To help, as far as possible, flock owners to produce more wool.

As a result of the establishment of this company, 6.040 tons of wool were purchased from flock owners at a reasonable rate, out of which 700 tons were exported to the Soviet Union, 725 to the United States of America, and the reminder, 4.617 tons, are now being transported. In addition to this, the company has been able to prove wool obtained from Karakul sheep (formerly considered to be of low quality) to be of a high grade, and accordingly has sold it at better rates than before.

2. The Ministry of Agriculture should, via the Agricultural Development Plan, the Export Syndicate, and the Flock-Owners' co-operative for Wool, as well as the Agricultural Bank, advance credits at low rates to flock owners and thereby stimulate production of wool and stock breeding in the country.

3. The Wool Exporting Syndicate does not monopolise wool produced in the country. Every merchant who purchases wool within the country is free to export it abroad, provided

exports are made in accordance with the rules of sorting and baling and under the trademark of the Syndicate.

4. As outlined in the Agricultural portion of this plan, the program for improving strains in sheep should be implemented.

5. To insure that sheering is done on modern lines and to prevent loss of wool resulting from the present methods of shearing, machines for shearing wool, a specimen of which has been imported by the Flock Owner's Co-operative, should be imported in sufficient quantities and installed in Kandahar, Ghazni , and Northern provinces, especially these points where concentration of flocks is great.

6. Hydraulic Baling Presses should be imported in sufficient numbers and installed in suitable places.

7. Sorting and standardizing wool for export:

   Afghan wool for export is sorted according to standards already laid down for this purpose. These are:

   a) Kandahari Wool, B.B. White, First Quality;
   b) Kandahari Wool. B. White, Second Quality;
   c) Kandahari Wool. S.S. Black and other colors;
   d) Kandahari wool. Flock Wool;
   e) Jilga Wool of Herat, Badghesy; and
   f) Wool obtained from Karakul sheep.

Experts on sorting have studied this system, but in order to sort and grade wool according to the demands of the world markets, a better standard should be set up, and qualified sorting personnel should be recruited by the Wool Exporting Syndicate.

8. Washing and cleaning:

   Wool is generally covered with a fatty matter composed of the animal's perspiration mixed with dust. This fatty matter can be removed in the following three ways:

a) Washing before shearing. As practiced in the northern provinces where special tanks have been constructed in which sheep are washed in water containing chemicals. Such facilities should be extended by the Ministry of Agriculture and the Flock Owner's Co-operative to the other parts of the country.

b) Washing wool with warm water after shearing.

c) Washing with chemical solutions.

The above three processes remove 35 %, 25 % and 100 % of the fatty matter, respectively.

In order to wash wool chemically and according to modern methods, it is necessary for the Wool Exporting Syndicate to adopt the requisite measures and import the required machinery for washing wool. Washing in rivers, streams, and unclean ponds should also be prevented.

9. Since wool is also used for carpet-making there is great scope for the development of this industry. This matter has been kept in view in the Economic Development Plan.

10. To procure drinking water where it does not exist, the Ministry of Agriculture, the Flock Owner's Union, and the Wool Exporting Syndicate should adopt joint measures to dig wells in and near such pastures. Better strains of grass seed should also be discovered and imported.

11. Diseases and parasites which attack and destroy sheep should be dealt with by the Ministry of Agriculture, the Union, and the Syndicate on a larger scale. Improvement of the breeds of sheep should also receive careful attention.

12. The various Flock Owner's Unions should take steps for the storage of dry winter feed for the local flocks by importing the necessary cutting, baling and transporting machinery from Czechoslovakia. Warehouse and stores should be constructed for this purpose.

13. Concerning flocks which are transferred by nomedic flockmen out of the country every year, the Provincial Government of Kandahar, Herat, and the Southern Province should cooperate with the Flock Owner's Union to take preventive measures against this drain on the country's wealth. The Union can, with the help of authorities, successfully curb this flow of wool and sheep from the country. This will be accomplish by negotiating with the elders of nomedic of the purchase of their wool stocks on favorable terms.

14. The Wool Syndicate should not hesitate in promoting the sale of wool in foreign markets, and should try to discover better markets for this purpose.

15. The Syndicate should also try to collect Merino wool, goat hair, camel hair, down and wool from Gidak sheep (a breed of sheep without fat tails which lamb twice a year), and to export it according to set standards and systems of sorting. Wool from Merino sheep, camel hair, and down are especially important for export. Down produced in Badakshan is exactly like that found in Kashmir, because the climate) nearly idential. If these suggestions are followed the various kinds of wool produced in the country will be marketed in a better way at better prices. It is estimated that excluding goat hair and down the exportable quantities of wool by the end of the Plan would amount to:

Estimated Exports of Wool During the Five Year Plan

1956	6.000 tons
1957	6.300 tons
1958	6.400 tons
1959	6.500 tons
1960	7.000 tons.

Comment. The above are conservative estimates calculated according to minimum exportable quantities of wool.

Export of wool

Year	Tons
1315	5.400
1316	5.400
1317	5.400
1318	1.570
1319	1.931
1320	3.304
1321	1.312
1322	5.682
1323	8.451
1324	1.934
1325	2.071
1326	5.561
1327	4.610
1328	5.545
1329	4.819
1330	4.304
1331	5.464
1332	5.874
1333	5.458

Fruits. Among the products of this country, dried and fresh fruits are among most important items of exports. Fruit has a good market both for domestic consumption and consumption abroad. This important product, which supplies 25 to 30 % of our foreign exchange, creates employment for a large number of our people in the form of gardening work and import-export undertakings. As yet, no attempt for development of this industry has been made. The various processes of pickings, drying, assortment, and packing of fruits have remained in the primitive form. If better methods of picking, sorting and packing are introduced, the standard of living of this low-income group will definitely raise and will be of great benefit to the national economy.

1. Present limitations of the fruit industry.

a) As yet, there is no standardization in the sorting of fresh and dried fruit for export.

b) Picking and drying of fruits are technically defective.

c) Packing methods are very poor.

d) Since poorly cleaned fruit deteriorates quickly, exporters have always been reluctant to ship this merchandise to distant markets which may offer high prices.

e) Export of fruit in general, and particularly fruit exported via Kandahar and Chaman, are subject to severe cut-throat competition amongst exporters themselves. The severity of competition between exporters, together with perishable nature of the goods, have caused rapid fluctuation of prices and have resulted in great losses.

f) High rate of competition and limitation of capital compel exporters to accept whatever prices they are offered at the nearest market for their products. Sometimes they are forced to sell at a loss when danger of spoilage threatens.

g) There are not refrigeration facilities available within or outside the country.

h) Afghan fruits in Pakistan and India are sold by Pakistani and Inian dealers who always determine the prices in their own favour.

i) Transportation facilities such as cold wagons or refrigerated cars are not obtainable, especially for fresh fruits

j) In addition to the above mentioned drawbacks, exports have no regularity. Large quantities of fruit are exported in a single shipment, flooding the markets; this over-supply of the products results in down-fall of prices and severe loss for the exporters.

k) Export of pistachio and almonds (unshelled) have twofold disadventages. First the transportation cost is raised; second, removing of shells by foreign labor adds to the cost and leads to price fall.

These are some of the difficulties of Afghan fruit industry commonly encountered.

The following corrective measures are suggested from the point of view of Agriculture, Industrie, and Commerce:

1. In Agriculture. It is obvious that natural and climatic conditions have great bearing on the growth of fruit. However, human care and attention and application of modern equipment for improvement of the industry is essential. It would be impossible to achieve the goal unless improved methods and better equipment are used.

   In coordination with the agricultural plan of the country, arrangements should be made for improvement of quality and quantity of fruit. Service of specialists should be employed. Importing better seeds, plants, improving the technique, aiming at increase in production must be the prime objectives. Steps should be taken for the importing of sapling from abroad and introduction of new breeds should be encouraged. A plan for improvement of both quality and quantity of fruit should be outlined.

   Responsible members of the agricultural plan are required to combat harmful pests and insects threatening the fruit industry. Stationary and traveling combat teams be organized to fight the dangers wherever prevalent.

2. In Industry. Fruit is a abundance in Afghanistan and there is a substantial of internal consumption as well as a high rate of export. There should be better methods of production, packing, and marketing in order to make this product acceptable by the world market. Introduction of better methods, hard work and expense are necessary. Although the above work pertains to industrial projects, it schould be discussed here somewhat because of the close connection between the industrial aspect and the commercial side of the fruit industry.

   Recently Fruit Companies have been established which will take the following measures gradually:

a) Establishment of experimental stations in Kabul, Kandahar and Herat for drying of fruit by mechanical means or in sunshine.

b) Organization of a Technical Committee in cooperation with the Ministry of Agriculture to study the possibilities of improving cleaning and drying methods, better packing, and arrangements for the refrigeration and cool storage places and the necessary steps to be taken for its realization.

c) Employment of technicians to supervise the experimental stations.

d) Establishment of a workshop for producing tin cans.

e) Preparation of air conditioned trucks for transportation.

3. In Commerce. Agricultural and industrial projects in this respect as mentioned are highly useful in improving the quality and quantity of fruit, and in establishing finished or semi-finished industrial undertakings.

In regard to the commercial side of this industry, in order to develop markets in Europe and in Asia and to obtain greater amount of foreign exchange for the country the following is planned:

a. Establishment of fruit trade and industrial corporation and cooperatives in Kabul and Kandahar.

Recently Export Fruit Companies have been formed which gradually carry the following functions:

(1) Cleaning and drying of fruits by application of modern according to advice given by exports.

(2) Improvement of the sorting and standardization.

(3) Application of modern methods of packing.

(4) Better arrangements for transportation such as preparation of air conditioned trucks.

(5) Building of cool storage facilities in Spin Boldak and Torkham.

(6) Establishment of selling agencies abroad where Afghan fruits are offered.

(7) Establishment of Fumigation Centers.

For protection of national interest no fruit would be permitted to cross the vorder without proper sorting and packing. The Fruit Cooperatives are responsible for this purpose. Export certification by corporations are issued only when export conditions are fulfilled. Since the export corporations enganged in the trade of perishable goods are vulnerable to capital loss, they must be protected. Capital investment of these corporations for the purchase of machinery, air conditioned trucks, and buildings should be substantial, and the possibility of immediate profit limited. Therefore it would be necessary that these corporations be supported by receiving the following assistance:

a. Credit institutions should offer long term credit of low interest rate.

b. The foreign exchange needed for the purchase of machinery and equipment should be supplied at the industrial rate by Da'Afghanistan Bank.

c. As long as sound programmes are drawn, credit and foreign exchange facilities are provided and the technical needs are supplied the following will result:

(1) A section of the country will flourish.

(2) Standard of living of farm people and orchard owners would be raised.

(3) Employment will be procured for a large section of the population in gardening, commerce, and factories.

(4) Establishment of finished and semi-finished industrial fruit undertakings.

(5) Fresh and dried fruits with better sorting and standard will be exported as follows:

Fresh fruit per year	25.000 tons
Dried fruit per year	30.000 tons.

The export figures are based on conservative estimates. The improvement in quality, sorting, packing, standardization and better marketing methods will bring higher profit to the country.

Opium: Opium is considered one of the higher priced and lighter agricultural products. Cultivation of opium-bearing poppy in Afghanistan, especially in those parts of the country which posess climates suited for its growth is necessary as a medium for increasing national wealth and foreign exchange. Regions where opium-bearing poppy used to be successfully cultivated in the past, consisted of Badakshan, Herat and the Eastern Provinces.

Since a year ago, the Government has been trying to obtain permission from international organizations concerned with cultivation and exportation of opium; and the cultivation of opium-bearing poppy has already been permitted in Badakshan, Herat and Mashreqi.

According to available data, cultivation of poppy in Badakshan is more successful and the opium produced is of a superior quality than that of other parts of the country.

The opium of Badakshan has been analyzed and the results are as follows:

1. Morphine	17 to 18 %
2. Bidochloric and acid morphine	8 %
3. Moisture	13 %
4. Solubles	65 %

The analysis therefore shows the Badakshan produced opium is rich in morphine content more so than that produced in Herat. It is well known that opium fetches prices according to its morphine content.

Similar, the Herat produced opium was analyzed with the following results:

1. Morphine	7 to 10 %
2. Moisture	7 to 13 %

3.	Dry solubles	6 to 61 %
4.	Andars Chorine	3 to 6 %
5.	Popedrine	25 to 1 %

According to the above analysis, the Herat produced opium contains 7 to 10 % morphine. The morphine content of opium from Mashreqi does not 8 to 9 %.

The Herat produced opium, due to the lesser amount of morphine it contains is used in smoking in dome countries of the East. But the Badakshan opium which has a high morphine content is mostly used in medical drugs.

The quantity of opium exported throught the proper channel, i. e. Custom houses, during the year 1317 A.H. (1938 A.D.) amounted to 23 tons. Amounts smuggled is not included above. It is however possible for Afghanistan to earn one million or more dollars per year for its opium.

In order to stop smuggling, it is imperative to control both production and growing of opium-bearing poppy plants.

Recently the Ministry of National Economy has drafted rules and regulations for growing poppy plants and for collection and export of opium. This has been passed through the legislative bodies and now it is a "Law".

Summary of Proposals for the production of the opium. In order to expand the cultivation of poppy on a modern method, the Buto Joint Stock Company has been formed which has been given the monopoly of collection and export of opium. This company will take the following measures, gradually:

1. Collection and export of opium according to International Regulation.
2. Strict Measures to control the collection of opium by the Ministry of Agriculture, Public Health and local Governments. They will insure that all opium is collected by the Buto Joint Stock Company and none of it is left in the hands of the cultivators and consumers for personal use.

3. To adopt correct and expert methods of sorting and packing opium.

4. The responsible parties concerned will study whether it is possible to manufacture a part of the opium yield into drugs and medicines for local use.

In case the possibilities are present, the Buto Company, with the cooperation of medical experts, will import the necessary machinery so that in this way it may become possible on one hand to export morphine and on the other hand to manufacture drugs locally.

Sorting and Standardization. Sorting and standardization are necessary in modern trade. Lack of sorting and standardization discourages buyers, and lowers the price considerably. Karakul, cotton, wool, fruits and other raw materials should be subject to fixed sorting and standardization in accordance with the world market needs and trade requirements.

The Karakul cotton, wool, fruit and casing companies which have been formed for the export of particular commodities are charged with sorting and standardizing their own products and also with inspecting and supervising the sorting and standardization of products of other firms and individuals.

If sorting and standardization conditions are met, the firm concerned will then be issued a certificate to that effect. Otherwise, it will be obliged to sort and standardize its product. Exports for which there are no established firms, and the trade is transacted on an individual basis are subject to the same rules and regulations. In order to have a feasible sorting and standardization system in accordance with world market requirements, the sorting and standardization department established in the Ministry of National Economy should carry on the following:

1. Collect the necessary information about sorting and standardization from sources abroad, and draft sorting and standardization regulations and procedures for all export commodities.

2. Determine in the case of each export commodity the organization responsible for carrying out the sorting and standardization regulations.

3. In the Custom Houses where these commodities are cleared for export, authorized inspectors should be appointed to supervise sorting and standardization in accordance with the regulations in effect.

4. Obtain reactions to sorting and standardization of Afghan products form markets abroad and communicate such reports to the Minister.

5. Publicize the importance of sorting and standardization to producers as well as to exporters.

Insurance. The insurance business in Afghanistan has a commercial character, only export-import goods being insured. Until 1315 such goods were very irregularly insured. Due to efforts of Banke Millie in 1316, insurance agreements were signed with British and German Insurance Companies, and Afghan merchandise, especially Karakul skins, were insured.

1. Establishment of an Insurance Company in Afghanistan

   One of the organizations that is lacking in our economic set up is the insurance company. There are many reasons for not having been established. At any rate, the insurance business is of vital importance to our foreign trade, and therefore the establishment of an insurance company during the period of the plan is considered necessary. Both export and import commodities are often insured and foreign insurance firms profit greatly from this. In order to recover for the country the profits received from this source, a great effort is necessary to establish a national insurance company.

   The other advantage of such company is that it would provide opportunities to invest money which are otherwise idle, and by so doing a considerable number of persons are employed and consequently activity is stepped up. Lack of experience makes the establishment of an insurance company in Afghanistan somewhat difficult, and people may not risk their

capital despite Government patronage, yet the adoption of a sound policy to allay all doubt, still lead to ultimate success. Since organizing an insurance company in Afghanistan is quite essential, the following steps should be taken in this connection:

a. The Ministry of National Economy should, during the first year of the plan, employ directly or through the United Nations, an insurance specialist to study and survey insurance matters, its operation and / or organization and prepare reports and assist the department concerned in the possibility of forming an insurance company. In addition, the Ministry of National Economy should send one or two people abroad to specialize in insurance affairs.

b. The insurance company shall be established during the second year of the plan on the basis of the recommendation of the insurance expert. The capital of the company will be subscribed by Da'Afghanistan Bank, Federation of Chamers of Commerce, Banke Millie, Commercial Bank and other firms. Part of the stock of the company will be left for individual purchase.

c. In order to help support this company the Government shall render assistence such as lower income tax rate for the first two years of its establishment. Further number of warehouses should be built on modern lines near the customs houses as well as in other places to store and protect goods from fire, theft, and spoilage. But the matter of building the warehouse should be settled by the insurance company and the Government departments concerned.

d. The Ministry of National Economy is responsible for drafting the charter and completing the formation of an insurance company.

It must be noted that since at the beginning it would be hard to persuade investors to purchase the stock of the company, Government enterprises will have to participate, but it should be borne in mind that as soon as the company has grown and is able to stand on its own feet, and private investors desire to invest, the opportunity to invest should be afforded them freely.

Control of Imports and Exports

1. Import Control. The import goods schould be controlled along the following lines:

   a. Controlling of the price of imported goods - for this has a direct influence on the general price level. During the five year economic plan an enormous amount of money is to be spent for the completion of many projects and this will definitely raise prices somewhat. Price controlls, therefore, are essential to keep prices relatively stable. The profits of importers and retailers for each category should be fixed and price tags pinned on their goods. The price control organization is responsibl for controlling prices and penalizing offenders who violate the regulations.

For realizing this objective a price control department, established in Kabul, is active.

Similar, in the first year of the plan the Ministry of National Economy should set up price control Boards in other provinces. Necessary rules and regulations for this purpose should be prepared with the help and advice of experts.

   b. Import control from the purchasing standpoint. The importation of goods considered to be non-essential or of a luxury nature should be highly taxed in the customs houses. Moreover, some luxury goods are medically or morally harmful to the country, and some others do not possess the qualities ascribed to them. Therefore, a committee should be set up to differentiate between harmful and harmless items, and make necessary recommendations to restrict and control such importation for the benefit of the country and consumers.

2. Export. Better organized and promotion of exports is highly important from the point of view of foreign exchange. For each main export item, a separate company has been formed to perform the following functions:

a. Sorting, standardization, packing and baling in accordance with world requirements.

b. Clean export goods.

c. Press and bale wool and cotton correctly.

In customs houses where export goods are cleaned for export, fully equipped laboratories should be established to analyze and control the quality of export products.

If the analysis is in accordance with the export regulations in effect an export certificate will be issued. This control is apart from that exercised by the relevant branches of Da'Afghanistan Bank.

The departments assigned this responsibility the sorting and standardization department of the Ministry of National Economy and the Chambers of Commerce should exercise efficient control over exports in central and provincial customs houses. The controllers should, in accordance with the sorting and standardization regulations, check the standard, the conditions of baling, pressing, and the neatness of consignments, and certify accordingly. Controllers should have the necessary experience and training. An expert should be employed from abroad to train people for this purpose.

The sorting and standardization of the Ministry of National Economy, which is responsible for controlling, sorting, and standardization procedures should, in cooperation with the Research Department, commercial attaches, experts and Chambers of Commerce, study and explore the possibilities of finding better sorting and standardizing methods in accordance with world markets.

Commodities which cannot profitably exported should be given premium to protect and encourage export. In the financial sention of the plan sources of financing such premiums have been considered.

Total Export and Import of Afghanistan: (1329 - 1333)

Year	Import	Export
1329	533.332.270/00	738.657.577/00
1330	646.253.272/00	730.349.203/00
1331	731.787.552/00	1.012.067.762/00
1332	875.688.271/00	150.057.255/00
1333	1.038.640.600/00	1.403.099.437/00

The measures to obtain a favorable balance of trade. One of the most important questions in commercial affairs of a country is the balancing of exports with imports. This should be the responsibility of the Government Bank, exporting companies, and other departments concerned. Until very recently, Afghanistan's balance of foreign exchange has been quite satisfactory, and the factor which has caused the depreciation of the Afghanis has been the poor administration of foreign exchange affairs. Statistics of the last few years show that all foreign exchange earned from foreign countries are not returned to the country. A great amount of foreign exchange is utilized outside the country. It is because the Ministry of Finance, unlike in other countries, had no control over foreign exchange. It would be logical to create an organization in the Ministry of Finance capable of handling and controlling this problem. Foreign exchange receipt, on the one hand, should be gradually brought under control and, on the other hand, foreign exchange needed for importation of the country's prime necessities should be allocated at a fixed rate to importing firms. The Control Bank should see to it that all foreign exchange be returned to the country. To create a favorable balance of trade, the following measures are recommended:

1. The policy of trading with countries having hard (strong) currencies should be adopted and encouraged. These currencies are acceptable all over the world and can be utilized as security for bank notes in circulation.

2. Should Afghanistan not be able to balance exports and imports with a given trading partner, it should attempt to cover the deficit with surplusses gaine from trade with other countries. The question of making the balance of trade favorable should be the prime consideration of the authority concerned, and besides the points afore mentioned, other means ought to be utilized.

   a. If due to weak demand for the country's products abroad exports do not match imports, the most logical policy is to sign border agreements. On account of the temporary nature of these agreements the moment the deficit is covered and the demand for the country's product rises, th need for such agreements will vanish and the agreements could easily be canceled.

   b. During periods when the balance of trade is unfavorable, funds could be borrowed from abroad, or from the International Monetary Fund. The remedies mentioned above have no more that a temporary nature. To remedy these deficiencies it is necessary to borrow from foreign countries on long-term basis and to utilize the domestic as well as foreign loan for increasing production and thus exports. Foreign investment is another factor which should be taken into consideration during the period of the plan. This will not only further increase employment but will also help raise production and export and therefore reduce the need for foreign exchange.

   To obtain favorable balance of payments strict measures to put into effect the above plan is necessary. Ministry of National Economy is responsible for controlling and supervising of the above schemes.

Transit Facilities. Afghanistan as a land-locked country, feels prime need for transit facilities. She has to export and import to and from foreign markets through neighboring countries, namely USSR, Iran, and Pakistan. Therefore, like Trade Treaties, Transit Treaties should have been given equal importance.

Transit Treaties based on national transit facilities and regulations should have been tied with neighboring countries. It is unfortunate that the country had relied on the Treaty held between her and British India, or Pakistan Dominion after 1947 only.

The high charges of railway freights, storage demurrage and sales taxes levied upon Afghan goods are unjustified. Furthermore, Afghan Goods face so many formalities on their way, such as unwarranted detention, etc., from Karachi to Afghan border, which run counter to the International Transit Reansit Regulations hampering exports a great deal.

For instance, the Afghan Karakul reaches the markets in Europe and America later than necessary and cannot be sold at proper prices. Likewise, the goods for which orders have been placed during summer and are expected to be imported for winter consumption are delevered during the following spring. The same thing is true of medicines which are of no use after the expiration of the prescribed period.

Drawback formalities required by Pakistan from our imports is another difficulty which causes a lot of our money to remain idle for a long time. Unfortunately, there are no statistics of such moneys on hand, but it could be stated that it makes a sum of considerable magnitude. The difficulties faced during the last ten months have actually undermind our foreign trade.

The following steps to remove the present difficulties and to facilitate the matter of forwarding the goods in question are taken:

1. To explore the possibilities of importing goods trough USSR. The transit agreement signed by the two countries in 1955 has been passed and approved by the authorities concerned and today tons of goods are sent through USSR in transit to Afghanistan.

2. To negotiate with the countries concerned on the basis of International Conferences of Geneva, Barcelona, and Havana and try to get free zones for Afghanistan Export-Import.

3. Construction of necessary warehouses in these ports.

4. Since the construction of warehouses necessiates a great deal of money, funds should be borrowed at a comparatively lower interest rate for financing such undertakings.

5. The amount and terms of such loans should be decided by the Central Bank.

6. The present restrictions on the movement of the Afghan goods should be eliminated on the basis of international agreements conferences.

7. Cold storage facilities should be provided on the Afghan order to keep and protect the export-import goods from decaying. Afghan imports descharged from carriers away from the border due to lack of transportation facilities are detained for a long time in the border of neighboring countries and then sent to Afghanistan. This situation quite often brings about loss of goods and waste of time. Railway lines should be extended to connect the Afghan border with the border of our neighbors.

8. To do away with the present transit restrictions and to benefit from the International transit facilities it is suggested that the Government should minutely study the Charter of Havana Convention signed in 1947.

Internal Trade. Internal trade provides scope for the activities of many people whether they are wholesalers or retailers. There are many important problems, some of which should be taken into consideration for the five year plan, cereals and imported goods.

1. Cereals. The question for cereals is very important and no proper arrangements have yet been made in Kabul or other parts of the country for the following reasons:

   a. The high cost of transportation in Kabul and in other parts of the country.
   b. The lack of scientific silos constructed for storage.

These factors have caused the price of cereals to soar, the only preventive being the establishment of the Food Stuff Company, sponsored by the Civil Servants Cooperative. These measures have prevented prices from rising unreasonably, but cannot be called effective. For the fulfillment of our plan the following measures should be taken :

1) Completion of silos

2) Establishment of the Food Stuff Company.

In accordance with the above necessities effective measures have been taken to solve these questions, i.e., the establishment of two big silos with the capacity of 40.000 tons which are under construction in Kabul and Polikhomri. They could be completed in the first five year plan, and could be put into the use accordingly. Furthermore, the following silos are in the planning stage of construction :

Herat	10.000
Girishk	10.000
Farah and Ghakhansor	50.000
Mazar	10.000
Eastern Province	5.000
Khost	5.000
Maimana	5.000

Establishment for the supplies of cereals. For the supplies of cereals for the use of the Government and people, a company with a capital of 200.000 Afghanis has been established under the condition that the prices be prevented from rising and help be given to the farmer. The surplus food stuffs from the productive area should be collected and stored and should be distributed in case of shortage.

The main purpose for the establishment of this company is to supply wheat and barley. Other companies must be formed also for the supply of rice, grains, and especially for butter. With the establishment of these companies, food-stuffs should be bought at the proper time and at the proper place. In addition, waste and smuggling of food-stuffs should be prevented.

2. Imported Goods. Imported goods, especially the cloth imported by companies and individual merchants is priced by the controlling committees concerned in accordance with the bill of lading and invoices. In order that these goods should be supplied to the public at a relatively favorable price, the Government should support the general depot and the civil servants cooperative with commercial credits and loans. These organizations should import the goods needed by civil servants as well as the public from manufacturers abroad at reasonable prices, and should supply a part of them through their sales agents to the people in the cities as well as to provinces. The shortage of the capital for cooperative and depot should be supplied from excess revenue over expenditures which would be sollected during the five years of the plan. As there are increasing needs for establishment of further firms, the Ministry of National Economy must try to establish private firms as competing organization and must support these private firms and encourage them.

Establishment of stock and commodity exchanges. Establishment of stock and commodity exchanges for the progress and smooth running of commercial enterprises and sale of commercial bonds have been taken into consideration in the five year plan.

a. Stock Exchange for bonds and negotiable papers. Every kind of negotiable documents could be dealt with such as Government bonds, commercial stocks, etc.

b. Commodity Exchange for commercial goods. Every kind of commodity could be dealt with. Transactions involving negotiable papers could be undertaken by brokers.

Commodities should be dealt with by commercial brokers. Merchants and other concerns which are working for profit can paticipate in the stock and commodity market. In the absence of stock and commodity exchanges the real value of stock and commodities are not easily determined. Demand and supply will determine the real value of objects under sale or purchase. In order to facilitate commercial activities establishment of

stock and commodity exchanges should begin in the second and third years of the plan, but so far for standardization and sorting of commodities are not regulated and improved commodity exchange market is of no real value.

Prevention of Smuggling. Prevention of smuggling, and the establishment of a proper and effective control all over the territory is one of the important economic problems that the country is concerned with.

It is because of the importance of this problem that countries, even those which have no geographical or social difficulties, have built up strong and effective administrations are mainly for the purpose of preventing illegal exports, and are completely seperate from the police or security forces. Because of geographical position of the country the boundaries are such that smuggling is not easy to tackle. Until recently, even though we had some jendarma forces on the borders, smuggling could not be prevented, e.g. Karakul skin from Herat Province, cotton, wool, and fruits from Kandahar, and other goods from Mashriki have been smuggled out.

If, so far, an effective exchange control over receipt and expenditure of foreign exchange has not been practiced it is because we were unable to have an effective control over borders and, therefore, over smugglers. In the phase of the five year economic plan, and great financial and economical requirements, further duration of smuggling and ineffective control is intolerable.

In order to prevent illegal traffic successfully it is essential to establish during the five year plan a high degree of control through adaequate organizations fully equipped. In the economic plan such measures with reasonable budget have been accepted and adopted to have an effective control all over the boundaries gradually during the five years. However, it must be admitted that the nomadic movement inside and outside the country make the application of such control rather ineffective, but

it is hoped that its careful application and improvement would bring about control of over fifty per cent of more. Nevertheless, in due time, the difficulties would be overcome and success achieved.

On the basis of the above goals the expenditures for the prevention of smuggling and illegal traffic for the next five years habe been planned as follows:

1335	1336	1337	1338	1339
14,00,000	16,000,000	19,000,000	23,000,000	35,000,000

The organization budget and necessary equipment for the prevention of smuggling already have been prepared by the custom bureau authorities and should be put into effect in the year 1335.

Improvement and Codification of Commercial Laws.

In civilized societies the maintenance of law, justice and certainty in all transactions, especially in commerce, is indispensable. In order to make it possible for commercial activities and foreign investment whether in mixed form or otherwise to take place in accordance with the principles of the Guided Economy in a better and more secure way, codification of relevant Commercial Laws is of absolute importance.

Recently, the commercial and foreign Investment Laws and regulations which have been drafted by the Ministry of Natioanl Economy and ratified by the Legislative Bodies have come into effect. Cocification of other related commercial needs including bankruptcy should be completed. Statute of Chamber of Commerce, Regulatings concerning internal trade, banking, stock exchange transactions, and trademarks should be drafted and put into effect. Anti-smuggling laws and foreign exchange regulations in this regard should be revised. Necessary trade and commercial regulations and procedures should be completed.

In drafting the respective laws and regulations local conditions should be considered and laws and procedures of the countries should be studied. For this purpose a commission should be formed for the drafting of the five year economic plan to study and codify all necessary laws, regulations, and procedures.

Establishment of Commercial Courts For the settlement of commercial disputes and maintenance of social justice commercial courts are essential. Because of the very technical nature of commercial activity and the fact that trade disputes require fast settlement, the commercial courts should be organized independent of other courts.

On the basis of the above-mentioned consideration, the commercial courts have been established for many years, but they need great improvements from the standpoint of legal procedures and commercial techniques.

In the year 1334 the Ministry of National Economy, in accordance with legal principles, established independently the secondary and tertiary commercial courts. Formerly this function was carried on by the Chambers of Commerce and the Ministry of National Economy, respectively. Thus, Primary Commercial Courts have been established in Kabul and Kandahar, Mazar-i-Sharif, Maimana, Mashriki and Perwan. In other provinces similar courts will be established in the first year of the economic plan. Secondary and tertiary commercial courts have been formed in the first and last part of 1333. It is to be noted here that as soon as the presence of primary and secondary commercial courts become essential in other parts of the country necessary action to that effect should be adopted for their establishment.

Commercial Training.

Commercial Training means a systematic training and increasing of knowledge of businessmen which is so essential in modern trade. No businessmen could succeed in their work without

complete understanding of it. In this connection efforts should be made to create a new mentality among the businessmen and encourage them to study commercial sciences. As fas as the matter is concerned with the educational programme necessary steps are taken in the relevant section of the plan. In addition, important commercial firms should organize commercial courses and seminars as follows :

1. English course - since English is essential to commercial correspondence throughout the world.
2. Russian courses - because of our commercial and technical relationship with USSR.
3. Commercial and economic policy of Afghanistan and other neighboring and economically important countries.
4. Knowledge of commodities.
5. English and Persian typing.
6. Commercial law.
7. Commercial letter writing..
8. Commercial statistics.
9. Shorthand.
10. Commercial accounting, etc.

Moreover, those firms and organizations should establish libraries fully equipped with books, magazines, and journals.

VII - Banking Section

One of the main functions of a bank is to collect public savings and deposits and to offer such savings, as credit, toindividuals and institutions for the promotion of trade, development of industry, and other branches of the national economy. Depository banks, which are large in number, together with the central banks, offer specially shortterm credit. These banks obstain from extending long-term credits and from participating in enterprises because they must have sufficient funds on hand to meet their depositors' with drawals. The Central Bank, on the other hand, must regulate the volume of money in circulation. This could be accomplished by offering short-term credit and sicounting commercial papers.

In countries whose national economy has passed the initial stage of development, enough capital has been accumulated, and the financing of commercial and industrial undertakings are relatively easy, the need for long-term credit is relatively small, and the number of banks accepting and offering short-time credit is great.

In addition, there are also special banks for the purpose of investment and which offer long-term credit and raise their capital by various methods. For example, Agricultural Bank not only gives short-term credit, but also must provide long-term credit. For this reason agricultural banks raise their capital with the support of the Government, participation of the farmers and agricultural cooperatives. There are special banks to help establish commercial and industrial undertakings. Their financial source is participation in long-term securities and time deposits (not less than two years). These banks are developed to a great extent and their customers are accustomed to saving. Their savings are invested in commercial and industrial institutions. Banks in such countries have specialized departments to accomodate the needs. In countries where economic development is at a low level (like that of our country) the mass of the people is not accustomed to saving. Therefore, there is a scarcity of short-term credit. In such countries people hoard

their money or use it to purchase capital goods; or the national income is at such a low level that people have no opportunity to save. In such countries the banks have to take part in investments. Our banks, similarly, take customer deposits and use them in the development of the general economy in the form of short-term credit. They will have to participate in our five year plan to the end of the second and third years. They will have to help in the establishment of necessary institutions by extending long-term credit and discounting, agricultural, industrial, and commercial papers. The banks must provide short-term credit in order to cooperate with the developmental programmes. They must also control the currency circulation on the opposite side.

In order to control these two opposing forces the Central Bank has to regulate their activities. In the future, banks will not be allowed to participate in more than 20 per cent of the capital of the newly established institutions. The sum total of their participation in institutions plus their long and medium-term commitments, should not exceed 80 per cent of their fixed capital. At the same time they should accept deposits and extend short-term credit. Each specialized bank will only extend credit to its own specialized market, e.g. Agricultural Bank will extend . . . . industrial credit etc. It should also help other agricultural . . . . Central Bank will extend short-term loans through re-discount methods. The Central Bank should abstain from medium and long-term lending. It should extend medium and long-term loans only when all other sources have been exhausted, because this institution is for safeguarding the value of the nation's money. The only kind of loan that the Central Bank should extend is short-term loans with a duration of less than two years (in most other central banks of the world the duration is three months). In offering credit it should be noted that the credit obtained as advance one-half payment should be reimbursed gradually and should be acceptable by other banks and the Central Bank under discount. By this action the debtors would be obliged to reimburse their loans properly, otherwise they would be claimed bankrupt. At

present the financial institutions and borrowers are not ready to repay their loans propery. The bank cannot speculate and foresee their future transactions.

The Central Bank, when offering short-term credit, believes that the money is circulating and will reimbursed in a short time to the bank, but to its disappointment the debtors do not repay the loans properly resulting in a incorrect money circulation.

Regarding the control of foreign currencies it is concluded that it will be done gradually until the end of the economic plan so that year by year more and more foreign currency comes under control and should be given out for the import of needed commodities. This has been included in the table of foreign currency, income, and expenditure.

The Finance Ministry, the Ministry of National Economy and Da'Afghanistan Bank should study carefully and decide of possible all the foreign currency income under control earlier than the appointed years, thus establishing them to sell foreign currency to importers for the import of necessary goods on the basis of letter of credit or other current arrangements. In accordance with the above basic ideas, the banking activities have been studied under the following four classes:

1. The banking activities of present banks have been determined for the coming years.
2. Since credit arrangements is an important function of the banks, special attention has been given to it and decisions have been presented separately.
3. Amongst the important banking matters, the fixing of foreign currency rates is also prepared and suggested.
4. Because participation of banks with financial institutions is a separate matter, statistics regarding their present participation have been prepared and presented.

<u>Extension of Activities of Banks in Afghanistan</u>. The Banks of Agriculture, Industries, Commerce, Construction and Mortgage which have already been established shall increase their activities as follows:

1. <u>Commercial Bank</u>:

   a. The Bank, withing its duties, shall consider, in the first place, to encourage exports throught granting - credits and facilities.

   b. The Bank shall do its best to fulfill exactly the species of articles for export in accordance with international standards, and shall be in constant touch with the export companies.

   c. The Bank shall guide exporters to Foreign Markets.

   d. The Bank shall help and grant facilities to companies shich deal in the construction of warehouses and custodies for export goods in accordance with the international standard, thus enabling itsself (or the said companies to deal with discounts as well.

   e. The Bank shall help in granting credit for establishment of Wool, Carpet, and Fruit Companies, and also to the other export companies which are not under the Government monopoly. In case of need, the Bank can participate up to 15 per cent of their capital. But in no case the total of participation should exceed its own capital and one per cent of deposits. This percentage may be increased as a result of favorable experience.

   f. The Bank shall perform the financial function of the foreign trade, but it will not, under any circumstances, directly attempt foreign trade.

   g. The Bank shall open savings accounts for its customers and shall accept interest-bearing, as well as non-interest-bearing deposits.

   h. The Bank should discount commercial papers.

i. Besides the above clauses, the Bank shall grant credits outlined in its statutes, or decided by its Supreme Council.

j. The financial strength of the Bank is suggested to be 200 - 220 million Afghanis (if at the end of the plan year all of its capital were held by the shareholders, all deposits were strengthened, and if a part of its profit were transferred to reserve). The loans given by the Central Bank will not be included in this estimation. The quality of loans depends upon the general economic and monetary conditions which cannot be determined in advance. Loans given by the Central Bank to commercial and other banks are discussed in connection with Central Bank affairs.

Note: The Central Bank's capital should be completed during the first year, but if it could not be done from the proceeds of free shares, then the Government will purchase the rest with its budget surplus.

2. Bank for Construction and Mortgage:

a. The Bank shall attempt to establish to a firm for making roofing tile or slate. The establishment of such a firm would be achieved by a joint of the Bank and a foreign company. The foreign exchange needed shall be paid by the Bank up to an amount that its credit standing would permit, and the rest shall be acquired through foreign loan after approval of the cabinet.

b. The Bank shall grant credits to persons who desire to build hotels. These credits shall be medium-term credits, and should not exceed 40 per cent of the cost of buildings according to the estimation of the Bank.

c. The Bank shall extend its activities up to Kandahar, Herat and Mazar-i-Sharif in accordance with new projects.These activities shall particularly tend to the development of airports.

d. The Bank shall design sketches for private and personal houses on a commission basis.

e. The Bank shall provide credit for companies supplying building materials through granting credits.

f. The Bank shall strengthen through granting credits those companies which import building materials from abroad.

g. Besides the above clauses, the Bank shall grant credits defined in its statutes or decided by its supreme council.

h. The Bank will take part in establishment of construction companies, and if possible will purchase some of their shares.

i. Financial standing of Bank for Construction at the end of the plan year; as this Bank's credits are long-term, which could not be estimated during the plan year, for this purpose interests, deposits, and a part of returned loans will be considered. These imcomes at the end of the plan year will be approximately 20 million Afghanis, but if the Bank's capital is increased by more income, its financial and credit powers will also be increased to the same extend.

3. Bank for Agriculture and Cottage Industries:

a. The Bank should separate its agricultural section from its industrial section.

b. The Bank shall help cottage industries, weavers, and cotton goods cooperatives.

c. According to its statutes the Bank in its agricultural section will undertake agricultural problems.

d. The Bank will do its best to revive Handicraft industries and extend aid for the development of small industries in the form of advertisements, publications, services, etc. Later this section will be aided by short-term and medium-term credits.

e. The Bank, according to its statutes, should assist more and more in improvements of agriculture and gardening so that export of crops and fruits may be increased accordingly.

f. The Bank will offer discount facilities to the handicraft and agricultural industries.

g. It should also assist Saving Associations.

h. The capital of the Bank should be collected and moreover each year the Government should help the Bank's capital up to the end of the plan year to the possible required amounts. Short-term agricultural papers no exceeding nine months may be discounted with this Bank, and rediscounted with Da'Afghanistan Bank.

Note: In the Plan's second year and in the following years up to the end of the plan, shares will be recollected and the remains will be purchased by the Government.

4. Banke Millie Afghan:

This bank should deal as a credit institution with the different branches of Commerce and Industry (with the exception of Cement and Small Textile Industries) by offering credits. Such facilities and aids should also be made to commercial firms in which the Bank has shares. This Bank's assets will be composed of the deposits and also a portion of profit transferred to reserve, approximately as follows :

First year	250
Second year	260
Third year	275
Fourth year	300
Fifth year	330 million Afghanis.

The following points should be considered in the Afghanistan credit policy:

The Government in no case compensate its needs by issuing notes; and also, no loans should be obtained from Da'Afgha-

nistan Bank unless a strong need is felt. Da'Afghanistan Bank should not participate in any municipality and governmental organization except the banks. Other banks should develop their activities according to the laws prescribed in their statutes. Moreover, Pahstany Tejaraty Bank, Agricultural and Cottage Industries Bank, and Banke Millie Afghan should state and popularize discount arrangements. Da'Afghanistan Bank in case of need should re-discount the short-term bills presented by the said bank.

In order to develop public loans all banks should not hesitate to help their Cooperatives in the form of advertisements and practical assistance. Furthermore, the Finance Ministry should consider the matter of issuing Governmental Bonds for the public utility projects. Consulting with the Ministry's specialists will give sooner and better results. Decisions should be made that such issuance should not place the Central Bank under pressure, but to develop and maintain the country's economy.

Since in this country the public bonds will be issued for the first time, in order to encourage public loans it is necessary that such bonds at first be issued only for short-term projects giving sooner outputs and turn-overs. When the public is accustomed to use this source of income, then it can be hoped that they will purchase bonds for long-term projects. Such decision should be submitted to the responsible committee before it is effected.

The following points should be considered under the exchange policy of Afghanistan:

For fixing of Afghany rate against foreign currency, certain regulations should be put into practice. In regard to exchange control, Da'Afghanistan Bank has been instructed to put all foreign currency gradually under its control up to the end of the plan year.

The Bank should be instructed to transfer each year a minimum of 10 per cent of its foreign exchange proceeds to collateral accounts.

Da'Afghanistan Bank's Money Power. As a Central Bank Da'Afghanistan Bank has the distriction and the privilege of issuing bank notes based on the following matters:

1. From the economical point of view the Central Bank's monetary strengst will be dependent upon conditions of production, general terms of prices, the real needs for money in the market. That is to say, if production increases, the Central Bank will also be in a position to issue notes accordingly. In the opposite situation, the volume of issuance will be decreased and the required amount of notes will be withdrawn from circulation.

2. The Central Bank's note-issue, in fact, is based on the reserve held by them, i.e. the Bank has to consider always the amount of their reserve. In case of need, and if the country's general economic situation deems it necessary, during the next five years Da'Afghanistan Bank can issue new notes for circulation.

   a. According to the final resolution of the Bank's Supreme Committee and the Government, the Bank has to keep 30 per cent reserve against its notes in circulation in the form of gold, silver and free foreign exchange. It can be understood that this is a new authority given to the Bank to issue approximately 400 million Afghanis more in bank notes.

   b. If the reserved gold and silver account be estimated 20 Afghanis per U.S. Dollar, this should give a power of issuing about 530 million Afghanis to the Bank.

   c. In case the Banking Development Committee is accepted and a 5 per cent proceeds of foreign exchange is transferred to reserve account per annum, and if the foreign exchanges are really obtained according to the plan, from now up to the end of the five year plan approximately

a sum of 15 million dollars will be increased to the reserve. This increase (estimated 20 Afghanis per U.S. Dollar) will give a chance to the Bank to make new issuance of about 100.000.000 Afghanis.

From this source only, the Central Bank's total issuance will be about 1.830.000.000 Afghanis. If it is supposed that the Bank's previous credits are actually repaid to the Bank on their maturities, the total income from this source will be about 700 million Afghanis. According to the above estimates the Bank's general monetary and issuance power during the plan will be as follows:

(1) According to the amended clause of the statute, the Bank is authorized to keep 50 per cent reserve, 400 million.

(2) According to estimation of 20 Afghanis per U.S. Dollar, 530 million.

(3) The reserve's development during the five years of the plan, 1.000 million.

(4) Previous loans returned (about) 700 million.

(5) A total of 2.630 million.

The Bank will be allowed to utilize some of its above-mentioned issuance power in case of need and in accordance with the requirements of the economic conditions. The Bank should also be authorized to make issuance automatically, to the limit required, provided that the legal reserve is kept untouched. The most important point in this connection is to be very cautious not to cause inflation, because the sensible and important matter in an economical plan is to keep the price of the domestic currency stable during the execution of the plan; or in case of a decrease in the value of money the cost of the execution of the plan will go up and consequently it will become very difficult to take any further steps.

The issuance of new money should be the responsibility of the Central Bank so that in accordance with the money rates and conditions they coordinate these operations. The Central Bank

should not obtain loans from the Government, and also should not participate in any other company except the Bank's. If during the plan years one or more export commodities suffer a loss or decline, the Government will offer subsidy to compensate such losses.

Regarding the Specifications of Foreign Rates.

Regarding the foreign exchange rates, we would like to say that it is better to eliminate multiple exchange rates as soon as possible. At present we must change the three rates of exchange into two rates. In this manner the middle rate, which is 21 Afghanis, must be removed, and the rate of 16,80 Afghanis be raised to 20 and the rate of 30 Afghanis reduced to 28 Afghanis. As a result one rate is eliminated and two rates remain with a very small difference between them.

The foreign exchange proceeds which the Bank receives from the sale of Karakul skins, cotton, and wool at present are as follows:

Karakul:	40 % at 16.80 Afghanis per dollar	6.72 Afghanis
	35 % at 21.00 Afghanis per dollar	7.35 Afghanis
	25 % at 30.00 Afghanis per dollar	7.50 Afghanis
	Cost price 1.00 dollar	21.57 Afghanis
Cotton:	60 % at 30.00 Afghanis per dollar	18.00 Afghanis
	40 % at 21.00 Afghanis per dollar	8.40 Afghanis
	Cost price of 1.00 dollar	26.40 Afghanis
Wool:	60 % at 30.00 Afghanis per dollar	18.00 Afghanis
	40 % at 21.00 Afghanis per dollar	8.40 Afghanis
	Cost price of 1.00 dollar	26.40 Afghanis

The foreign exchange proceeds of Karakul. cotton, and wool must be purchased as follows:

Karakul:	80 % at 20.00 Afghanis per dollar	16.00 Afghanis
	20 % at 28.00 Afghanis per dollar	5.60 Afghanis
		21.60 Afghanis
Cotton:	80 % at 28.00 Afghanis per dollar	22.40 Afghanis
	20 % at 20.00 Afghanis per dollar	4.00 Afghanis
Wool:	80 % at 28.00 Afghanis per dollar	22.40 Afghanis
	20 % at 20.00 Afghanis per dollar	4.00 Afghanis
		26.40 Afghanis

The foreign exchange proceeds of Karakul is 15 million:

80 % at 20.000 Afghanis per dollar	12 million
20 % at 28.00 Afghanis per dollar	3 million

The foreign exchange proceeds of 7.000 tons of wool is 7 Million:

80 % at 28.00 Afghanis per dollar	5.6 million
20 % at 20.00 Afghanis per dollar	1.4 million
	7.0 million

The foreign exchange of cotton 15.000 tons is 12.00 million

80 % at 28.00 Afghanis per dollar	7.2 million
20 % at 20.00 Afghanis per dollar	4.8 million
	12.0 million

Total foreign exchange at the rate of 20,	18.2 million
Total foreign exchange at the rate of 28,	15,8 million.

The profit of such operation is as follows:

Gold inside and outside the country is about 43 million dollar. The profit of each dollar in 3.20 Afghanis which is totaled 137.5 silver is 300 tons, 300 million grams, 90 per ounce minus 20 % is about 8 million dollars. Difference between the rates of 20 and 16.80, 22 million Afghanis.

Profit of gold and silver, 159.5 million Afghanis.

Distribution of foreign exchange at the rate of 20 Afghanis per dollar:

Government budget and developmental projects of the Government

Purchase of gold

Petroleum and motor oils

Payment of Government's loans and its interest

Sugar

Expenses of Afghan students abroad with the approval of Pohantoon at the rate of 28 Afghanis per dollar

Industries

Medicine (which belongs to the Government depot)

The most important miscellaneous expenditure of Government and ono-Government enterprises such as Medicine Depot, Cotton-Piece-, Goods Depot and Staff Cooperatives, etc.

For sich persons

For purchase of books, etc.

Credit Regulations and Discount. We have no doubt that the best way of distributing money among the people is to offer credit. If credit is given in a proper manner it will increase and develop production; on the contrary, if it is used unwisely it will harm production and the general economy.

For the development of the economy of a country different types of credits are used. Usually the credits are divided in three main categories:

Long-term credit
Short-term credit
Intermediate credit

For two reasons central banks are advised to give only short term credit:

1. Central Bank loans are usually long-term loans, and most

of the money is obtained through new issuance which cannot circulate quickly in the economy.

2. Government loans are usually for the purpose of services and their effect on the general economy is slow.

Long-term loans are usually given by the industrial, agricultural, and construction banks which are built with strong capital and can efford to give long-term credit.

The second type of banks are those which have similar capital accounts such as depository banks. They could offer short-term credit too. They usually discount short-term papers which can be rediscounted at the Central Bank.

The long-term credit banks can accept agricultural and industrial papers and discount them, and the Central Bank will rediscount them if necessary. The Central Bank never discounts such papers directly. In most other countries Governments replenish their monetary needs by the sale of bonds to public and private buyers. The Central Bank is sometimes permitted to purchase such bonds.

In our country the issuance of Government bonds is of little use because the interest rate at the free market is much higher than the interest rate the Government can afford to pay. Also. our people are not accustomed to saving. In the past our Government in order to solve its problems has acquired its money through taxes, foreign loans, or Central Bank loans. To solve the problem it is necessary that the people be induced to save. As a result the interest rate will fall. In other words, it is necessary to increase the credit standing of the banks and through it force down the interest rate. It is a true economic phenomen if the interest rate is low and the credit standing of the banking at least the signature of the buyer, the seller, and a bank. Duration of discounts are not more than two years. The Central Bank fixes its rate and the other banks fix their rates accordingly.

Participation of the Banks in other Institutions. Since the existance of banking in Afghanistan, their major function has been aid in establishment on financial institutions. This participation is sometimes in contrast with the pecuniary policy. For instance, Da'Afghanistan Bank as a Central Bank and the issuing banknote institution should not participate with industrial, commercial, and private institutions. Because the funds which are paid out from the bank for the payment of the shares do not return automatically to the bank. Da'Afghanistan Bank has paid the following funds to the institutions:

Afghan Electric Company	11.571.000 Afghanis
Shirkate ABAK	337.375 "
Afghan Textile Company	40.207,803/40 "
Construction Bank	30.000.000 "
Serubi Electric Power Plant	352.690.140/81 "
Sanasy Dasti Maimana	400.000 "
Cement Making	13.314.000 "
Agriculture and Cottage Industry Bank	76.500.000 "
Pashtany Tejaraty Bank	40.000.000 "
TOTAL	565.020.319/21 Afghanis

A large portion of this participation has not been paid yet. Banke Millie Afghan which had to promote commercial activities by offering credits and discount has also participated in these institutions. In some cases the participation of banks have no other result except leading to its own profit. For example: Special business of said bank with fruits, Karakul skins and wool and its participation with the Mazar Shirkats and other private activities. At present the participation of the Banke Millie Afghan with other financial institutions, including Textile Company, 26 institutions, is 510.195.393 Afghanis. It is still surprising that the recently established banks have also participated with some recently established institutions. For instance : The Agriculture and The Cotton Industry Bank, which was established not more than a year ago, and its annual balance is not yet issued, has participated in the Afghan Cotton Company. Since this bank is a specialized bank, its capital should only be invested in its own realted field. Therefore, its participation with other institutions is a big contrast to its functions.

Even the Commercial Bank (which has commenced work very recently), along with its original functions, has participated with some financial institutions. If a great need for money felt, the bank will not be able to satisfy such need.

The participation of the banks with institutions has reached a position which require attention for their own interest.

If banks are desirous of participation in other institutions, two following points should be considered:

1. Efforts should be made to acquire new capital for establishment of new institutions from sources than banks.
2. Government may buy shares of new institutions from revenues or budget allowances.

system is high. It means more money is circulating and the activity of the banking system and economy is high. It will result in more savings, lower interest rates, and higher prosperity. More savings and lower interest rates are the causes that induce people not to go after usury but to deposit their money in a bank.

The Government already understood this phenomenon and gave loans to different banks in order to increase their credit power and indirectly lower the interest rate in the market. In most countries the total Government loan is smaller than the total commercial loans. Similarly, the Central Bank gives more commercial loans than Governmental loans.

So far in our country the Central Bank has extended credit to our Government and to our national institutions. Banke Millie as well as Da'Afghanistan Bank have shared in these financial activities, while for the future we have to be careful not to get Government loans, but to try to induce the real credit institutions which are functionally responsible for extending of credit to production institutions. In other words, we need new banks under the names of industrial, commercial, and agricultural banks which we have already started. These

specialized banks offer credit to their own particular field, i.e. agricultural bank gives agricultural loans, etc. These banks discount papers of their own customers.

Afghanistan Bank does not have to give credit directly instead they rediscount such papers. For example, Sherkate Hajary (Lapidary Company) sells some of its products and in return receives a promissory note. If Sherkate Hajary is short of money it will discount its promissory note in a bank, for example, Industrial Bank. If the Industrial Bank is in need of money it will rediscount the note with Da'Afghanistan Bank. Using discount method, Sherkate Hajary (Lipidary Company) will sell more and thus increase its production; and the purchaser will increase his sale and will be able to repay the Industrial Bank. From the above treatments the following changes took place: Da'Afghanistan Bank took part in expansion of production and helped Sherkate Hajary. Their credit it gave for this purpose will return safely the last obligation of the draft which will be layed on Sherkate Hajary. Sherkate Hajary should be very careful not to extend loan unless it is completely sure of the credit standing of its customer. The Industrial Bank should discount those papers that will be rediscounted by the Central Bank's policy permit their rediscounting. In other words, Central Bank should rediscount papers related to their bank up to the amount that the Central Bank's policy have permitted. The Central Bank directly regulates the expansion of particular lines of production through the power of rediscounting. The Specialized Bank for example discounts papers coming from Kabul or Kandahar textile companies or from cotton or wool companies. The Central Bank rediscounts those papers as long as the need for expansing of such companies are felt.

Commercial papers coming from buying and selling goods.

Commercial Banks are allowed to discount any kind of commercial papers especially those coming from domestic companies. Discounting their paper will increase activities of native merchants and expand our national production.

Da'Afghanistan Bank can rediscount these papers, but it should be careful that the period of rediscount should not increase more than two years. Da'Afghanistan Bank on its turn has the privilege of refusing to rediscount any paper any time.

At present commercial paper discounting is not used much in Afghanistan because of limited number of plants and factories. In order to induce discounting it is very necessary that we discount even the ordinary papers coming from the sale of our present units or production. Discountable papers should have

VIII - TAXATION SECTION

The strength of the financial structure of any nation is the main element in its economic development. The existence of stable financial principles in a country such as Afghanistan which has begun its economic development recently will greatly determine the success and increase the means for expanding the performance of public services.

Therefore in the economic development plan for Afghanistan priority is given to financial problems. Efforts have been made that financial activities will be conducted in such a manner as to provide the economic development of the country. In addition, the economic plan should provide revenues in such a way that expansion of economic activity will result. In other words, in this part of the plan a system of taxes is proposed which should on the one hand increase the government's revenue and on the other hand encourage the expansion of private and cooperative enterprise in line with the principles of the guided economy. According to this idea, in establishing and determining tax rates a progressive rate than a fixed system is recommended. Under such a system economic activities will be taxed evenly and justly.

The country's trade must be protected from obstacles which prevent the growth of private individual enterprises and cor-

porations. Thus extreme fluctuations in economic activity must be prevented in order to provide a climate favorable to investment. Before explaining methods for improving the tax system the present tax system will be discussed.

The Present Tax Situation in Afghanistan

The tax structure of any country has a significant effect upon that country's economy. When the tax rate trend of this country since the beginning of the second World War is studied it will be seen that although changes have occured in economic activity, especially in the agricultural and commercial sectors, the price level has risen 800 to 1000 %, and national income and public services have increased; there has been no rise in tax rates.

This situation has caused money to lose its value and thereby weakened the country's financial situation. It has given no incentive to enterprise, private or public, to take effective action for the development of the country, such as investing in productive enterprises in means of transport and communication which play an important role in increasing the standard of living.

To remove such deficiencies in order that the economic development of the country will proceed in an effective and speedy manner, it is necessary that our taxiation policy be based on principles which will guarantee improvements in the revenue system without creating social difficulties. Due to these facts necessary adjustments in the country's tax system must be made. On the basis of the above principles and explanations, changes in the tax system are being recommended. The history of revenue in this country shows that for a long time government revenue was dependent on direct taxes, namely, land and livestock taxes. Recently the role of indirect taxation has increased. The income tax is still at an elementary stage and does not contribute significantly to the government budget. At present customs duties are of prime importance. They formed 41 % of the government's revenue in 1333. The following table indicates the im-

portance of each source of revenue and its trend from 1329 to 1333.

For the year 1329 - 1333
(in million afghanis)

	1329	1330	1331	1332	1333
Customs duties	171	215	244	301	401
Income tax	52	68	81	98	98
Land tax	67	68	77	76	77
Livestock	30	31	34	32	40
Small business and artisans tax and stamp tax	13	32	43	69	112
Monopoly dues and related items	106	79	75	98	138
Government enterprises	34	56	60	85	96
Total tax revenues	473	549	614	759	962
Internal loans	110	41	85	86	125
External loans	89	125	153	91	203
Total	1.145	1.264	1.466	1.695	2.252

Although the total amount of custom duties has increased between 1329 and 1333, it has remained between 36 and 41 % of total government tax revenues.

During this period, the income tax has comprised about 10 % of government revenue. The revenues from land and livestock taxes have remained constant but decreased steadily as a percentage of total government revenue.

If the financial Situation is studied from the budget view point, it will be noted that in 1316 the government requirements for public expenditures were as compared with the present and in the fields of agriculture, industry, and commerce the government was not playing an important role. Since 1316 the price level has risen 800 to 1000 %. On this the government's budget for the currant year should be at least Afs. 1600 to 2.000 million. However, the government budget for 1333, althoug bigger than ever before, has not increased proportionately to the rise in the price level since 1316, and can only provide

for 40 % of the service furnished in 1316. Due to the increase in population and other social and political conditions the government should now perform more public services. This requires the government to increase its revenue in order to be able to perform public services of Afs. 2.000 to 25.000-. New sources of revenue must be found to increase the government's financial ability. Improvements and modifications in the following taxes are recommended for the purpose of promoting means of increasing economic activities, investment, and national income.

(1) Income tax
   (a) Personal income tax
   (b) Corporation income tax
   (c) Artisans and small businessmen's tax
(2) Customs duties
(3) Consumption tax on luxury goods
(4) Livestock tax
(5) Stamp tax.

I. Income Tax

a) Personal Income Tax. The effect of the personal income tax is felt promptly because, with the application of different rates, inflation and deflation can be controlled to a certain extent. Since this tax is collected on a progressive scale from the income of individuals according to their ability to pay it does not permit the concentration of wealth and economic power in the hands of the few. This tax is in accordance with social justice since those who have a greater ability to pay carry a greater burden. The income tax has been gradually applied in Afghanistan during the last 11 years, and for this reason the related laws and regulations have by the present system. For example traders engaged in domestic commerce who are not required to have licenses and people engaged in real estate, both as investors and as brokers, are not subject to taxation. The present laws have imposed taxes on some groups while not covering others. In addition the income tax rates have not been sufficiently progressive and the government does not collect enough revenue from this source.

In order to make the personal income tax consistent with the regulations of many countries as an important source of revenue and also to create economic conditions which will permit commerce, industry, and agriculture to increase proportionally all foreign and domestic commerce and all transactions involving both movable and imovable goods must be taxed at fixed and progressive rates are in accordance with present economic conditions.

The following measures are suggested:

(1) All net-income derived from trade, whether the recipient is himself engaged in trade or not, be subject to taxation.

Note: Income from the scale of immovable properties and income of brokers and commission - agents are considered as a commercial income and are subject to taxation as described in the regulations.

(2) Individuals with several sources of income should pay income tax on their total net income as described in the individual income tax schedule. Income from stocks are exempted from this regulation.

(3) Income of the following categories of domestic traders not engaged in export-import trade and having no trade-license, should be exempted from taxation.

a) Income of traders engaged in purchase or scale of foodstuffs and fuel within the country.

b) Income of traders who provide raw material and semi-manufactured goods to industries within the country, or are engaged in the scale of domestic industrial or cottage industry products.

c) Income of individuals engaged in domestic trade in building materials and equipment.

(4) Income of individuals who are not engaged in trade but buy and sell immovable property provided they consummate more than three transactions within a year, should be subject to taxation. Also the income of individuals engaged in the buing and selling of shops, garages, public baths, sarais (bus terminals) and similar properties shall be subject to taxation.

(5) Income from purchase and scale of immovable property shall be subject of taxes on the basis of the increase in value as shown in bills-of-sale and other legal documents. However, expenditures on construction and repair may be deducted and any rise in the price level may be taken into consideration.

(6) Income from immovable properties or stocks and bonds, which have not been legally divided between or among heirs and are commonly owned, should be subject to taxation on the basis of a specified schedule before such income is distributed among its recipients.

(7) Individuals who are engaged in domestic trade, commission agents, and brokers should register and recieve their specified licenses from authorized government departments.

(8) Artisans and small businessmen who transfer goods from one province to another for commercial purposes should register and receive internal trade licenses and pay taxes on such activities.

(9) Individuals receiving or possessing licenses for export-import trade, internal trade, commission agents and brokers should keep accounting books and submit their annual balance sheets and profit and loss statements to the revenue departments. Individuals who receive internal licenses but have less than 50,000 Afghanis capital, if the revenue department concurs that keeping

for such traders, should pay taxes as follows:

(a) Individuals who are engaged in internal trade between provinces and are not required to keep books, should pay 4 % on import goods and 2 % on export goods as taxes at the customs house where the goods originated.

(b) Individuals who are engaged in internal trade within a province and are not required to keep books should register all their transactions at the revenue offices and should pay 4 % of the value of imported goods and 2 % of the value of imported goods and 3 % of the value of exported goods.

Note: If farmers and handicraftsmen are engaged in domestic trade as specified in (a) and (b) above, they should be exempt from taxation.

(c) Individuals who transfer domestic or foreign goods for their personal use, from province to province or from one locality to another, if the volume of such goods is proportionate to their economic and financial condition, should not be subject to taxation.

(10) Individuals who are engaged in transport activities and who possess more than three trucks or buses or five taxis should keep books and accounts and pay taxes on their annual balance sheet and profit and loss statement. Individuals who own less than three trucks or buses and five automobiles, should pay as follows:

(a) Individuals with one truck or bus 2000 Afs. annually
(b) Individuals with two trucks or buses 3500 Afs. annually
(c) Individuals with three trucks or buses 5000 Afs. annually
(d) Individuals with one taxi 300 Afs. annually
(e) Individuals with two taxis 500 Afs. annually
(f) Individuals with three taxis 800 Afs. annually
(g) Individuals with five taxis 1000 Afs. annually

(11) Individuals who are engaged in trade but buy and sell commercially used cars, trucks or gadis, shall pay 10 % as tax on sale of cars and trucks and 5 % on sale of gadis, if such individuals are not required to keep books.

Income Tax on Exhibits., Cinemas, Theaters, Carnevals, etc.

The net income from exhibits, cinemas, theaters, carnivals, etc. when performed as a commercial activity, shall be subject to taxation as follows:

1. When such activities are performed by organizations such as municipalities, corporations, etc. net income of such activities will be taxed on the basis of corporation income tax schedule.

2. When such activities are sponsored by individuals who are financially or otherwise in a position to keep books and accounts, their net income will be taxed on the basis of their balance sheet and profit and loss statement. In the case of individuals who are not in a position to keep books and accounts 10 per cent of the gross receipts as indicated by sale of tickets, shall be collected as tax.

3. In case such activities are performed under the sponsorship of individual contractors, the total receipts shall be subject to 10 per cent tax as described in (2) above.

(12) The existing 10 per cent fixed tax rate on individual income should be increased to 12 per cent, and the present schedule of progressive income tax should be modified as follows:

TABLE I - PRESENT SCHEDULE OF INDIVIDUAL PROGRESSIVE INCOME TAX RATE

	TAX RATE	AMOUNT OF TAX	INCREMENT IN INCOME IN PERCENT	PERCENT INCREMENT IN TAX
1. Afghanis 4,00 exempt from taxation	-	-	-	-
2. From 4,001 to 10,000 increment of 4,000	3 %	180	-	-
3. From 10,001 to 20,000 increment of 10,000	5 %	680	100	277
4. From 20,001 to 30,000 increment of 30,000	7 %	1,380	50	102
5. 30,001 to 75,000 increment of 30,000	9 %	3,180	66	130
6. From 50,001 to 75,000 increment of 50,000	13 %	6,430	50	102
7. From 75,001 to 100,000 increment of 75,000	16 %	10,430	33	62
8. From 100,001 to 150,000increment of 100,000	18 %	19,430	50	86
9. From 150,001 to 200,000 increment of 150,000	20 %	29,430	33	51
10. From 200,001 to 300,000 increment of 200,000	22 %	51,430	50	74
11. From 300,001 to 400,000 increment of 300,000	25 %	76,430	33	48
12. From 400,001 to 500,000 increment of 400,000	28 %	104,430	25	36
13. From 500,001 to 1,000,000 increment of 500,000	33 %	269,430	100	158
14. From 1,000,001 to 3,000,000 increment of 1,000,000	38 %	1029,430	200	282
15. From 3,000,001	43 %			

TABLE II - RATES OF THE INDIVIDUAL INCOME TAX AS NOW PROPOSED

INCOME BRACKET IN AFGHANIS	NEW PERCENTAGE	AMOUNT OF TAX IN AFGHANIS	INCREMENT IN INCOME IN PER CENT	INCREMENT IN TAX IN PERCENT
1. Afghanis 4,000 exempt from taxation	-	-	-	-

2. From 4,001 to 10,000 increment of 4,000	5	300	-	-
3. From 10,001 to 20,000 increment of 10,000	6	900	100	200
4. From 20,001 to 40,000 increment 20,000	9	2,700	100	300
5. From 40,001 to 80,000 increment of 40,000	14	8,300	100	207
6. From 80,001 to 160,000 increment of 80,000	22	25,900	100	212
7. From 160,001 to 320,000 increment of 160,000	30	73,900	100	185
8. From 320,001 to 640,000 increment of 320,000	38	195,500	100	164
9. 640,001 to 1,280,000 increment of 640,000	45	483,500	100	147
10. From 1,280,001 to 2,560,00 increment of 1,280,000	50	1,123,500	100	132
11. From 2,560,001 to 5,120,000 increment of 2,560,000	54	2,505,900	100	123
12. 5,120,001	60			

PARTICULARS OF THE ABOVE-MENTIONED TABLE:

1. The rate of tax is higher than under the former rate schedule. Consequently, the Government should collect more revenue. The highes rate under the former schedule was 43 per cent and in the new one it is 60 per cent.

2. Majority of taxpayers in Afghanistan fall within the first four income brackets and in the new table the rate of tax is higher for the first four income brackets, but it should be mentioned that the rate is not so high that the taxpayer will not be able to bear it.

3. Since taxpayers in the first four brackets spend most of their income on consumer goods this increase in tax rates reduces their ability to purchase consumer goods and thereby tends to prevent the general price level from rising.

4. After the fifth bracket the rate of increase falls gradually so that the income of large merchants which is available for investment may not be affected. Likewise, the tax rate on high income brackets is higher than under the former schedule and consequently there should be an increase in the Governmentrevenue. Moreover, to encourage participation in economic enterprises, the profits occuring to merchants from their shares in corporations and joint stock companies should be separated from the rest of their income and a special progressive tax should be imposed according to the following table on the stock dividends.

Income Tax on Artisans and Small Businessmen. In many countries where legal and educational standards are not advanced, artisans and small businessmen's income is imputed on the basis of the stocks of the premises, and rent paid, and taxes are imposed on such imputed income.

In Afghanistan artisans and small businessmen's taxes have been imposed gradually in the last few years. In 1324, income taxes were collected from only five classes of small business units, namely Banjaras, Semsars, Bazaz, Jalabs and home paths.

In 1329, fifteen other classes of artisans and small businessmen were also brought under taxation and in 1333, on the basis of the draft regulation proposed in 1329 which was approved by the National Assembly, 128 new classes of artisans and small businessmen were brought under taxation and the total number reached 148 classes. In regard to the imposition of taxes a joint commission consisting of representatives of the Chamber of Commerce, Municipality, tax collecting department and provincial assembly, was set up to establish classes of artisans and small businessmen and impute their incomes and taxes. Such taxes were to be collected after the approval of the Provincial Assembly and the Ministry of Finance.

However, it proved difficult to establish tax bases under this procedure. In order to facilitate administrative procedures and make it possible to compute taxes on a reasonable

basis, it is recommended that the income and the tax liability of artisans and small businessment be imputed from the following factors: type of business, gross income, location of premises and rent paid, and population of the city.

On this basis all artisans and small businessmen are divided into the following two groups:

Artisans and small businessmen who have fixed premises and are not mobile
Artisans and small businessmen who have no fixed premises and are mobile

1. The first group of artisans and small businessmen are subdivided into the following categories:

a) Small traders who have no internal or foreign trade licence but are owners of the following small shops:

Category 1. Shops selling pharmaceuticals, Chinaware, electric supply shops, small arms and ammunition, foreign-made shoes, warches, homeopathic remedy shops, pastry shops, foreign candy, rugs, woolen textiles, house paint, toys, and bicycles. Also bazaz banjavaz,seemsars (Small shop keepers dealing in textile yard goods and haberdashery).

Category 2. Shops dispensing soda water, hats and overcoats, white sugar and tea, leather, books, kerosene, automotive spars parts, shawls and turbans, automotive lubricants, glass and mirrors, silk goods, meat, chadries, (veils), photographic supplies and equipment, parts of used automobiles.

Category 3. Shops selling used clothes, furniture and fixtures, felt and cotton ugs, sacks, slat, kerbas (white cotton cloth), chaplies and paysars*, leadshot, cotton for stuffing, (* rough peasant shoes), green vegetables, bourias (woven rush matting), matches, oil seed cake, chickens, home-made perfumes, brown sugar, mattresses and quilts, home-made candies.

b. Restaurants and milk-product shops:

(1) Restaurants. Restaurants, Tea Houses, Kabab Shops, Halim (minced chicken) Shops, Fish Shop, Bread Shops.

(2) Milk-Product Shops. Milk and Yogurt Shops, Butter Shops.

c. Artisans:

(1) Dry Cleaners

(2) Repair Shops; Automobiles and Trucks, Motorcycles, Bicycles, Watches, Gadis, Sewing Machines, Pens, Radio and Record Players, Battery Changing, Carpet-Mending, Tire Vulcanizing.

(3) Coppersmiths, Ironsmiths, Tinsmiths, Lockmakers, Shoemakers, makers of false teeth, Ringmakers, comb makers, blacksmiths, stone cutters, tailors, posteen (sheep skin coats and jackets) maker, perfume makers, cabinetmakers, makers of women's shawls and embroidered hats, dyers, sign makers and painters, bookbinders.

ARTISAN AND SMALL BUSINESSMEN'S TAX AS PERCENTAGE OF THE ANNUAL RENT.

Categories of Artisans and small Businessmen	Kabul and Kandahar	Mazar and Herat	Pulikhumri Baghlan Khanabad Farah Maimanah Jalalabad	Gardez Charikar Ghazni Faizabad Grishk	Centers of Kokoomate kalan Provincial subdivisions	Center of Mahalat Counties	Village Market Centers
1. SMALL TRACERS							
a) Category 1	150	120	100	80	60	50	40
b) Category 2	100	70	60	50	40	30	25
c) Category 3	70	60	50	40	30	20	15
2. RESTAURANTS AND MILK PRODUCT SHOPS							
a) Restaurant	50	45	40	35	30	20	15
b) Milk-Product Shops	40	35	30	25	20	15	10
3. ARTISANS							
a) Category 1	70	60	50	40	30	25	20
b) Category 2	60	50	40	30	25	20	15
c) Category 3	50	45	35	25	20	15	10

Shops having a special value in excess of 5,000 if resulting from exceptionally favorable location which, however, is not reflected in the rent shall be taxed an additional 1 % of this special value. If the artisans and small businessmen own their premises the rent as well as the special value of such premises will be imputed on the basis of neighboring shops. If no shop exist in the neighborhood a joint committee consisting of municipality, tax offices, and responsible citizens shall establish the rent.

In the case of artisans and small businessmen having more than one occupation, their chief occupation shall be considered for tax purposes.

FIXED RATE OF TAX

The following artisans and small businessmen shall pay it at a fixed rate as follows:

Truck and Bus Barkers and Fruit Peddlers:

in Kabul City	200 Afghanis
in Major Provincial Cities	175 Afghanis
in Minor Provincial Cities	150 Afghanis

Auctioneers:

in Kabul City	500 Afghanis
in Major Provincail Cities	400 Afghanis
in Secondary Provincial Cities	300 Afghanis
in Centers of Provincial Subdivisions (Hokomate-e-Kalan)	200 Afghanis

Owners of Commercial Vehicles Other Than Buses, Trucks, Cars:

	1st Class	2nd Class	3rd Class
Gadies (Horse-drawn cart)	400	399	150
Horse and Oxen Carriages	-	-	-
Hand Carriages (Karachis)	-	-	-

Brick and Lime Suppliers in Kabul:	Annually
Suppliers with one kiln	1,000 Afghanis
Suppliers with two kiln	1,500 Afghanis
Suppliers with three kiln	2,500 Afghanis
Suppliers with four kiln	3,500 Afghanis
Suppliers with five kiln	5,000 Afghanis

Brick and Lime Suppliers in Provinces:

Suppliers with one kiln	50 Afghanis
Suppliers with two kiln	100 Afghanis
Suppliers with three kiln	1,000 Afghanis
Suppliers with four kiln	1,200 Afghanis
Suppliers with five kiln	2,000 Afghanis
Suppliers with over five kiln	3,500 Afghanis

Operators of public baths, sarais, apartments, and the like should be taxed 5 % of the amount entered in the contract.

Lumber and timber sellers: in Kabul, 1,500 Afghanis; in Provinces, 500 Afghanis annually.

Contractors of transport and suppliers of foodstuffs, fuels, and building materials, and building contractors are classified in the following categories:

Classes of Contractors	Annual Tax
Up to 20,000 Afghanis contract annually - exempt form taxation	-
20,001 - 100,000 Afghanis (Class 5)	1,000 Afghanis
100,001 - 300,000 Afghanis (Class 4)	4,000 Afghanis
300,001 - 1,000,000 Afghanis (Class 3)	6,000 Afghanis
500,001 - 1,000,000 Afghanis (Class 2)	15,000 Afghanis
1,000,001 to 2,000,000 Afghanis (Class 1)	25,000 Afghanis
Over 2,000,000 Afghanis	30,000 Afghanis

Income from electric mills and saws will be taxed annually 200 Afghanis per horesepower.

Textile spinners and weavers in cottage industry will be classified in three categories and taxed as follows:

	1st Class	2nd Class	3rd Class
Shawls, those producing woolen textiles, handicraftsmen and cotton piece goodsmaker using spinning and weaving machine	80	60	40
Those producing cotton piece goods	30	20	10

All artisans and small businessmen who are subject to taxation should submit a statement concerning the amount of their rent, location of premises, and net income to the Revenue Department.

Artisans and small businessmen and other individuals who are subject to taxation and quit their trade should submit necessary legal papers to the Revenue Department before they leave their occupation and field of trade.

CORPORATION TAX Since the number of commercial, industrial, and agricultural and transport institutions gradually increasing in the country and economic progress in the years to come will depend on such establishments, the corporation tax should be duly revised. There should be adopted such taxation policies that on the one hand the corporations will expand, and on the other, the Government's revenue will increase.

Under the existing corporation tax laws industrial corporations are taxed 5 % and non-industrial corporations 10 % on their net income, without consideration of the size of such net income. Such a system of taxation does not provide for social justice, because small corporations with little income are taxed the same as big corporations with big incomes. In order to avoid such injustice all companies and corporations with the exception of agricultural and cottage industry cooperatives should be subject to progressive income tax as follows:

1. All industrial corporations and joint stock companies should be taxed as fixed 5 % and others 10 % of their net incomes, as the existing regulations provide.

2. Corporations whose net income after 5 % or 10 % fixed tax and 1 % municipality tax exceed 50,000 Afghanis should be taxed, before the distribution or transfer of their profits, progressively as follows:

Income after fixed tax and municipality tax	Rate of Progressive tax
1-50,000 Afghanis (exempt from Taxation)	
50,001 - 500,000 Afghanis	1 %
500,001 - 1,000,000 Afghanis	2 %
1,000,001 - 2,000,000	3 %

2,000,001 - 3,000,000	5 %
3,000,001 - 5,000,000	7 %
5,000,001 - 8,000,000	10 %
8,000,001 - 15,000,000	13 %
15,000,001 upward	17 %

Note In case the net profit of an industrial corporation after deduction of 5 % fixed and one per cent municipality tax is not adequate to provide divident to stockholders at the rate specified by the state, it shall be exempt from progressive income tax.

Also, if a portion of the profit of one corporation belongs to another, the second corporation shall not be taxed on this transferred profit if the first corporation has paid its progressive taxes.

The economic characteristics of the above schedule can be summed up as follows:

1. Small undertakings with small profits are given favorable treatment under the progressive income tax in order to enable them to complete with the big undertakings and try to expand.

Such a policy also causes the national wealth to be utilized in expanding small undertakings, increasing their number and activities.

2. Under this system, companies making profits in excess of 50,000 Afghanis will come increasingly under progressive taxation and therfore economic enterprises of the country will not be in the hands of a few big corporations able to obstruct the expansion of smaller units or dominate them financially.

Reserves. The 12 % fixed tax now applied to the reserves of all corporations should be abolished.

Agricultural, commercial, industrial, and transport enterprises should be allowed to build up the following reserves:

1. Continengency reserves

a) Industrial and transport corporations may build up reserves up to 25 % of their paid up capital.

b) Agricultural corporations may accumulate reserves up to 15 % of their paid up capital.

c) Commercial corporations may accumulate reserves up to 15 % of their paid up capital.

2. Banks are allowed to accumulate reserves equivalent to their paid up capital.

Note. No corporation can transfer more than 5 % of its profit to its contingency reserve fund within one year.

3. Reserve fund for expansion. A committee composed of representatives of the ministry of National Economy, the Ministry of Finance, and the Chamber of Commerce should fix the size the such reserves. Corporations are not allowed to transfer funds to such expansion reserves without the consent of the said committee.

Transfer of funds to expansion reserves will be made after the payment of fixed and progressive income taxes and the municipality tax. Whenever the expansion reserve of construction, industrial, or agricultural enterprises are being considered representatives of the Ministries of Mines and Industry, Public Works, or Agriculture should also join the said committee.

The corporations will be authorized to make arrangements for the pension fund and health insurance of their employees. The amount of money transferred in any given year to each such fund should not be more than 15 % of the annual salaries of all employees. When the total of such funds amounts to 5 % of the paid up capital of an enterprise, no more money may be transferred to such funds.

If funds from pension and health insurance funds are directly or indirectly invested and interest or income is received no taxes shall be levied on such interest or income until the fund reaches 5 % of the subscribed capital only the excess portion shall be subject to taxes.

Pension and health insurance funds are transferable to such funds before payment of fixed, progressive, and municipality taxes.

LIVESTOCK TAX. Afghanistan is an agricultural country and livestock plays an important role in the economic life of the country. Livestock taxes have been collected under different names in Afghanistan for along time. Until the year 1299 this tax was collected on a per-head basis. In 1323 the rate per head on livestock increased. The per-head tax on camels increased from 3.70 to 5.00 Afghanis; on cows and donkeys from 90 pul to 2.00 Afghanis; on goats and sheep from 25 pul to 1.00 Afghanis, and on horses and mules from 1.80 Afghanis to 4.00 Afghanis. In the year 1328 the rate per head on all livestock was doubled. The number of livestock during the last 34 years has been at times estimated on the basis of calculations made by finance committees and at times by calculation of head herdsmen. Recently it has been decided that the counting of livestock made in a given year will remain valid for tax purposes for the two following years as well. From this point of view even though the rate of tax on livestock relative to current prices of livestock and products justifies an increase in this tax, for purpose that this tax rate should be increased only a small amount and in accordance with economic feasibility as follows:

	Present rate of tax in Afghanis	Proposed rate of tax in Afghanis
Sheep and goats per head	2	2.25
Cows	4	5
Donkeys	4	5
Horses	8	10
Mules	8	10
Camels	10	15

Note: (1) Merino sheep have been exempt from the livestock tax during the five years of the plan

(2) The taxation of Karakul sheep will continue as previously.

CUSTOMS DUTY. At present duty is the most important source of the Government revenue, comprising 41 % of the revenue in 1333. Most probably for some years in the future Customs Duty will continue to preserve its importance. Although the customs duty serves a double purpose, namely protection and provision of revenue in Afghanistan, its revenue character is of greater importance due to the fact that industry has not developed much.

Therefore such fiscal and protective policies are proposed that on the one hand the customs duty will be coordinated with the economic and financial conditions of the country, and on the other will encourage export and industrialization.

Export tariffs will continue at a low rate as at present and the import tariffs, with due consideration of consumer requirements, will be increased. The following changes are recommended:

1. The existing tariffs should be revised and their ambiguities should be eliminated. The "Free Price List" should be harmonized with market prices. Custom duties should, be computed according to invoices. In order to avoid discrepancies, the "Free Price List" should always be available.

2. The tariff rate on imports should be changed and in order that such a change correspond with the living standard and the consumption of the population, all import goods should be divided into 26 categories, which in reality from the following three groups of commodities.

   a) Consumer goods which are not widely used and for which the demand is elastic, such as silk piece goods, foreign food products, rayons and other luxury items.

   b) Consumer goods, the demand for which is high and not elastic, such as sugar, kerosene, and cotton piece goods.

   c) Goods which are not included in the first two categories but are required for construction and transport purposes, such as electric equipment and appliances, iron goods, automobiles, etc.

It should be mentioned that an important element to consider is how to bring an increase in the tariffs which will increase revenue and at the same time will not create unfavorable economic conditions. This problem is related to the following two questions:

(1) What effect the increase in tariffs will have on the demand for goods the tariffs for which are increased. If the demand is not affected by an increase in the tariff rate or decreases less, proportionately, than the increase in the tariff rate, naturally the total custom duties

collected on imports will rise .

(2) What will happen to the supply of goods produced internally which compete with imported goods after the application of new tariffs. Will the supply of goods produced internally increase proportionately to the increase in tariffs or will it decrease.

It is on the basis of the above factors and their effect on the trade balance that the tariffs have been modified.

Since the demand for the first category of goods is relatively inelastic, an increase in tariff will not significantly affect the amount imported. Therefore, the tariff rates on such goods have been increased.

The tariff on third category goods has also not been increased because a small increase will create difficult to the development of transport, industry, and construction.

FIRST CATEGORY (NON-ESSENTIAL CONSUMER GOODS)	PREVIOUS TARIFF	NEW TARIFF	PERCENTAGE INCREASE
1. Woolen Goods	-	-	-
a. Pure Wool	45 %	60 %	33 %
b. Mixed	40 %	55 %	37 1/2 %
2. Rayon goods	35 %	50 %	42 %
3. Silk goods			
a. Pure Silk	45 %	100 %	122 %
b. Mixed	40 %	80 %	100 %
4. Gold embroidered goods and mixed embroidered goods	50 %	100 %	100 %
5. Dluxe stationery	25 %	35 %	40 %
6. Deluxe electrical equipment	35 %	45 %	33 %
7. Cosmetics and toilet articles excluding soap, toothpaste, and tooth brushes	50 %	100 %	100 %
8. Canned and processed food stuffs, excluding children's food	35 %	100 %	185 %
9. Leather	30 %	30 %	-
10. Leather Goods	30 %	60 %	100 %
11. Tobacco and cigarettes	50 %	100 %	100 %
12. Chinaware	35 %	35 %	-
13. Notions (thread and needles, thimbles, buttons, hooks, pocket mirrors)	35 %	60 %	71 %
14. Spices and herbs (except herbs used for medical purposes)	40 %	100 %	150 %

15. Vehicles, carriages, gadis (horse-drawn carts), vicycles	25 %	25 %	-
16. Miscellaneous, including story books and others	15 %	15 %	-

SECOND CATEGORY (ESSENTIAL CONSUMER GOODS)

	PREVIOUS TARIFF	NEW TARIFF	PERCENTAGE INCREASE
1. Cotton piece goods	35 %	40 %	14 %
2. Green and black tea	35 %	35 %	-
3. Sugar	35 %	35 %	-
4. Drugs	10 %	10 %	-
5. Kerosene	34 %	35 %	3 %

Third CATEGORY (TRANSPORTATION EQUIPMENT AND BUILDING MATERIALS)

1. Passenger vehicles (excluding jeeps and similar vehicles)	30 %	30 %	-
2. Iron goods (roofing and reinforcing iron etc)	Various	Various	Various
3. Metal goods, other than iron	30 %	30 %	-
4. Electrical goods, except luxury goods	30 %	30 %	-

Note: No change in the duties on exports.

DELUXE STATIONERY, THE DUTY ON WHICH IS TO BE INCREASED FROM 25 TO 35 PER CENT:

1. Paper weights -- all kinds
2. Pen stands
3. Ink
4. Paper trays
5. Pen and pencil sets
6. Belotter holders
7. Pin cushions
8. Table glass
9. Deluxe pencil sharpeners

DELUXE ELECTRICAL GOODS (ITEM 6. CATEGORY 1, ABOVE) ON WHICH THE CUSTOMS TARIFF IS TO BE INCREASED FROM 35 TO 45 PERCENT:

1. Luster chandeliers and neon and other types of lighting fixtures with reflectors
2. Wall and ceiling brackets with more than one bulb
3. Table and bed lamps
4. Electric stoves having mor than 3 plates, refrigerators and heaters
5. Large size cloths iron with capacity of more than two kilowatt
6. Electric heaters having a capacity of more than two kilowatt
7. Electric vacuum cleaners
8. Electric clocks and similar electric appliances
9. Electric appliances for bathrooms
10. Electrical advertising signs
11. Electric cigarette lighters
12. Electric toasters

CONSUMER GOODS ON WHICH NO CHANGE IN CUSTOMS DUTY IS CONTEMPLATED

1. Tooth brushes
2. Dental creams and toilet soaps
3. Threads, needles and thimbles
4. Buttons
5. Baby oacufuer
6. Cotton socks and stockings
7. Cotton undershirts
8. Combs and hair pins
9. locks
10. Scissors
11. Hair cutting equipments
12. Cotton handkerchief
13. Towls
14. Hat water buttles, clysters
15. Shoe laces, shoe polishes and brushes
16. Fish gooks
17. Buttons (press)
18. Hearing aid equipments
19. Lubricants
20. Goldsmiths equipments

21. Corks and lids
22. Dental equipment
23. Kerosine lamps and candlesticks
24. Cradles
25. Suitcases of various kinds
26. Laundry soap
27. Brushes, etc.
28. Nail clippers
29. Zippers for shoes and shirts
30. Crochet and knitting needles of different kinds

SALES TAX ON LUXURY GOODS. The purpose of taxation on luxury goods is to limit the use and import of such goods. For this purpose a sales tax is to be imposed on the following luxury goods but is not to be applied to goods which are considered necessities:

COMMODITY	RATE OF LUXURY TAX
1. Passenger cars	3 %
2. All kinds of ornaments made of gold or containing gold	20 %
3. All kinds of ornaments made of silver or containing silver	15 %
4. All kind of imported silk goods	15 %
5. All kind of imported precious stones	30 %
6. Allkinds of imported imitation jewelry	10 %
7. All kind of cosmetics, perfumes, including hair oil	20 %
8. Cigarettes and all kind of tobacco products	5 %
9. Shot guns and other kinds of firearms and parts	5 %
10. Cigarette cases and lighters, pipes, and imported ashtrays	20 %
11. Gold embroidered goods	25 %
12. Playing cards and other games, excluding sporting goods	10 %
13. All imported canned goods, excluding milk for babies	10 %
14. All imported leather goods, excluding shoes, sandals, and other footwear	10 %

Remarks.

This tax on luxury goods will be collected from the importer

STAMP DUTIES

This tax is imposed on papers and documents issued by the courts and other Government departments. There are two main types, as follows:

1. Fixed, in which the tax is determined by the nature of such papers and documents.
2. Relative, in which the tax is proportionated to the amount of money mentioned in the documents.

Rates determined for these stamps duties are as follows:

	NEW	OLD	INCREASE
1. Identification Papers and Passports			
a. Identification papers	5.00	2.00	3.00
b. Passport, 1st class	50.00	30.00	20.00
c. Passport, 2nd class	30.00	5.00	25.00
d. Passport, refugees	10.00	5.00	5.00
e. Passport for those living on the border	2.00	2.00	-
f. request for passport	5.00	2.00	3.00
g. Transit visa	20.00	-	-
h. Residence visa for one year	50.00	-	-
2. Marriage Licenses	30.00	30.00	
3. Women's Claims Casses			
a. To the court of 1 st instance	50.00	25.00	25.00
b. To the court of appears	70.00	50.00	20.00
c. To the high court	100.00	100.00	-

4. License of divorce is 100.00 Afghanis. In addition, if the marriage licenses sets a Mahr, a specified tax is collected on a percentage thereof.

	NEW	OLD	INCREASE
5. Settlement of Women's Cases			
a. Primary Justice Court	150.00	100.00	50.00
b. Secondary Justice Court	300.00	200.00	100.00
c. High Justice Court	400.00	300.00	100.00

	NEW	OLD	INCREASE
6. Petitions			
a. Petition papers to His Majesty	10.00	10.00	-
b. Petition papers to Prime Ministers	5.00	2.00	3.00
c. Petition papers to other Ministers, officers, and officials	2.00	1.00	1.00
7. Customs House Papers			
a. Frontier Customs Houses Invoice	20.00	5.00	15.00
b. Trade Agent's Invoice	20.00 equivalent to this amount foreign currency should be taken at the Government rate.		

Note. Formerly it was Rupees 1.

	NEW	OLD	INCREASE
8. License for carriages and other means of transportation in Cusoms House			
a. Exit	70.00	5.00	15.00
b. Entry	70.00 Foreign currency according to Government rate should be written.		
c. Motor tax in Customs House	20.00 (same)		
9. Copyright on publication and investions	20.00	20.00	-
10. License for operating mines	500.00	100.00	400.00
11. Tax on certification of corporation charters	300.00	100.00	200.00
12. Tax on issuance of license for establishment of factories	200.00	50.00	150.00
13. Tax on clooection of debts	10.00	10.00	-
14. Tax on certificates in Justice Court			
a. Tax on deeds	5 %	5 %	-
b. Tax on mortgaged deeds	3 %	3 %	-
c. Tax on deeds and wills	10 %	5 %	5 %

	NEW	OLD	INCREASE
15. Tax on settlement paper in Judical Courts			
a. Primary Courts	8 %	6 %	2 %
b. Secondary Court	16 %	12 %	4 %
c. High Court	22 %	18 %	4 %

16. Tax on claims in Courts
Previously it was taken on percentage basis. If the claim (visiqa "sorati hal") is more than 1,000 Afghanis a ticket of 50 Afghanis must be attached to it.

17. Tax on other legal document Court			
a. Deed	2 %	1 1/2 %	50 pols
b. Withdrawal of chairs	2 %	2 %	1 Afghanis
c. Lease	3 %	2 1/2 %	50 pols
d. Tax on Legal receipts (document)	2 %	1 1/2 %	50 pols
e. Settlement - papers	3 %	3 %	--

Note:
(Ref--Item 4, pg. 229) Mahr: Property pledged by a man at the time of marriage which will revert to the wife in cace of divorce.

IX - FINANCING THE PLAN

The previous sections of the development plan were in reality an explanation and analysis of the country's economy and natural and financial resources. They also included a series of development projects and economic policies to be implemented in the next five years. The objective of the plan, as has been repeatedly stated, is to utilize the economic resources and exploit the natural resources of the country in order to raise the standard of living. For this purpose such projects and programmes are being included that will lay the foundation for training technicians, creating necessary organizations, and strengthening the country's financial position. As a result of these accomplishments Afghanistan will be in a position to carry out economical projects in the future.

The development projects and programmes of the plan are divided into the following three categories:

1. Government development projects, including those of municipalities.

2. Development programmes of Government enterprises.

3. Development projects of the private sector.

The financing section of the plan is also divided into three categories, as explained below:

1. Government and Municipality Development Projects.

Government development projects, which constitute the greater part of the plan, are subdivided into five groups on the basis of their nature.

a. Government ordinary budget. This section includes government current expenditures, repayment of loans, purchase and storage of cereals, and prevention of smuggling. These expenditures are not of a developmental nature, but are included here since they account for a large portion of Government revenue, both foreign exchange and local currency, and represent 50,5 per cent of the total outlay under the plan, including all expenses of administratering the plan. In the five years of the plan the following sums are allocated for this purpose:

	Million Afghanis
1335	966,14
1336	977,63
1337	1,046.93
1338	1,012.82
1339	1,084.95

b. Agriculture and irrigation.

Because Afghanistan is an agricultural country with more than 85 per cent of its population deriving a living from agricultural activities and more than 90 per cent of its exports consiting of agricultural commodities, agriculture has been given top priority in the plan. Afghanis and foreign exchange expenditures allocated to agriculture and irrigation over the five year period are as follows:

	Million Afghanis
1335	416,699
1336	453.566
1337	479.790
1338	478,678
1339	465.601

Outlays for agriculture and irrigation during the five year period constitute 24.58 per cent of total expenditure.

c. Transportation and Communications.

Since the development and extension of transportation and communications faciliteis plays an important role in the economic life and the implementation of all other activities, construction of roads, airports, meteorological installations, and communications facilities are of great importance. During the five year period expenditures in this sector amount to 15.15 per cent of the total outlay under the plan. Funds allocated are as follows:

	Roads and Bridges	Airports Meteorology and Communications
	(Millions of Afghanis)	
1335	123.990	144.290
1336	290.009	80.861
1337	260.017	94.611
1338	244.818	80.330
1339	217.569	88.640

d. Social Services.

Programmes relating to education and public health are included in this section. Because the implementation of all development projects depends on technical personnel and improved public health, a large amount of money has been allocated in the five year plan to this sector, in addition to normal budgetary appropriations. The five year expenditure for these activities amounts to 6.49 per cent ot thr total, as follows:

	Million Afghanis
1335	96.309
1336	119.500
1337	124.862
1338	144,816
1339	167,282

e. Mining.

For the exploration and exploitation of petroleum and other minerals great sums have been made available to finance surveying, drilling and exploratory work. Any increase in mineral production or the discovery of oil could provide new sources of revenue for financing more and bigger development projects. During the five year period 2.41 per cent of total expenditure of the plan is allocated to the exploration and exploitation of minerals, as follows:

	Million Afghanis
1335	25,239
1336	54,300
1337	54,300
1338	54,300
1339	54,300

Note:

For the establishment and development of industry, including the completion of plants now under construction and the establishment of new factories, adequate funds have

been provided. The output of these industries would save the country large sums of foreign exchange and employment opportunities will be created. Funds allocated for the development of industry during the five years are as follows:

	Million Dollars	Million Afghanis
1335	16.207	231.982
1336	16.980	240.882
1337	14.171	131.882
1338	5.757	65.070
1339	5.305	58.270

Source of Financing:

(1) Government Revenue.

Government revenue is considered the most important source of financing taxes and profits of Government enterprises provide 75 per cent of the total cost of the five year plan Improvements in the country's taxation system are being adopted which on the one hand will bring about the development of agriculture, industry and commerce. These improvements will also increase Government revenue. As a result of modifications and improvements in the tax system. Government revenue in 1335 will be 45.26 per cent greater than in 1334. Afghan expenditures of all Government and municipality development projects, as well as the Government's current budget and the 75 per cent wage increase during the five period for Government employees which amounts to 180 million Afghanis, are financed from Government revenue. Generally speaking, 75 per cent of the cost of Government development projects is to be met by local currency and foreign exchange proceeds of Afghan exports and 25 per cent by foreign borrowing.

(2) Borrowing.

Foreign exchange requirements of the development projects, including irrigation, transportation, roads and communications, and a portion of industrial and municipal projects, are to be met by borrowing. The foreign exchange cost of these

preojects is estimated as $ 122,930,000 which constitutes 25 per cent of the total Government expenditure during the five year plan. The foreign exchange required for industrial projects--Government, private and municipal-- is estimated at $ 67,609,000. Total foreign exchange requirements -- Government, private and municipal -- during the five years amount to $ 190,539,000. However, the source of foreign credit for individual projects has not been determined. This is because the $ 100,000,000 credit is definetely available but it is not known how much will be made available from the U.S. Government, the IBRD, and other sources. It should be mentioned that for the Laghman Textile Mill credit from Japan is under discussion. From the Czechoslovakian credits, $ 3,500,000 remains and about $ 9,000,000 from the Ex-Im Bank is allocated to the HVA for 1335 and 1336.

(3) International and Governmental Grants.

Although foreign grants are small as compared with foreign loans and domestic sources, technical assistance and commodities thus obtained play an important role in cultural, agricultural and community development. The amount of such grants will be of course fixed between Afghan Government developments and the UN, U.S., and other Governments. However, an effort should be made to obtain larger grants.

(2.) Development Programs of Government Enterprises.

In future years an important part of Government revenue will be provided by Government Depot. The existing capital of these two agencies is inadequate and with increasing volume of business, especially the importation of essential commodities, it has been decided that Afghanis 70 million will be added to the capital of the Government Monopoly and Afghanis 130 million to that of the Government Depot. These Afghanis 200 million will be obtained from re-evaluating (from Afghanis 16.8 per dollar to 20) the gold and silver used as backing for the note issue. In addition, if there is any surplus of revenue over expenditure during the five year period, a portion thereof will be made available to these enterprises.

To meet the foreign exchange needs of the Government enterprises, $ 140,000,000 has been allocated for the importation of essential commodities and $ 58.77 million for the importation of other commodities. This foreign exchange will come from the receipts of the D'Afghanistan Bank.

(3) Industrial Projects of the Private Sector.

Industrial projects in the private sector are to be financed from the following two sources:

a. Investments and credits of the Industrial Bank, as explained in the banking chapter. At leat 25 per cent of the capital of each new industrial enterprise must be subscribed by its founders. In case this is inadequate to bring the plant into operation, up to 50 per cent of the total capital may be subcribed by the Industrial Bank, if this is still inadequate, credit up to 25 per cent of the capital may be provided by the Bank Milli or other institutions.

b, To encourage increased investment, promote private capital formation, cobat inflation, and encourage private capital to invest in productive enterprises it is necessary that 40 per cent of the Government revenue surplus be allocated annually to investment in productive enterprises, both private and Governmental.

PERCENTAGES OF GENERAL EXPENSES

(1335 - 1339)

	1335	1336	1337	1338	1339
1. Ordinary Budget	54.29	49.31	50.55	46.84	52.18
2. Agriculture and Irrigation	23.42	23.02	23.17	22.14	22.39
3. Transportation and Communication					
a. Highways	6.97	14.72	14.56	11.32	10.46
b. All Others	8.11	4.10	4.575	3.71	4.26
4. Social Services	5.45	6.07	6.03	6.70	8.05
5. Mining	1.42	3.76	2.62	2.51	2.61
6. Miscellaneous	.38	.02	.50	6.78	.05
	100.00	100.00	100.00	100.00	100.00

THE GOVERNMENT DEVELOPMENT EXPENSES

(1335 - 1339)

(In Million Afghanis)

Section I - The Government Budget

1. Ordinary Budget	816.5	816.5	816.5	816.5	816.5	4,082.5
2. Payment of Loans	65.54	124.13	132.83	150.82	148.45	621.82
3. Salaries Increment	60.00	-	60.00	-	60.00	180.00
4. Arrangement of the Custom House	14.00	16.00	19.05	23.5	35.00	107.55
5. Investment for S orage of Essential Commodities	10.00	15.00	18.00	22.00	25.00	90.00
TOTAL	966.04	971.63	1,046.43	1,012.82	1,084.95	5,081.87

Section II - Dams and Canals						
Jalal Abad Canal	1.00	40.25	40.25	40.25	40.25	162.00
Palto	-	9.00	11.900	19.900	19.900	60.70
Reservoir Dam of Sardeh	-	16.880	16.880	16.880	-	50.640
Kharwar Dam	-	1.	7.786	7.786	7.786	24.358
Kokcha	101.250	101.250	101.250	101.250	101.250	506.250
Qundoz	-	40.936	40.936	40.936	40.936	163.744
Machalgho	1.	1.	11.50	13.50	13.50	40.50
Helmand Valley	272.210	206.260	195.470	195.470	195.470	1,064.880
TOTAL	375.460	416.576	425.972	435.972	419.092	2,073.072
Part of the Agriculture Development	41.239	36.99	53.818	42.706	46.509	221.262
	416.699	453.566	479.790	478.678	465.601	2,294.334
Section III - Transportation. Roads. and Communication						
Roads and Highways, Northern Province						
Kabul and Charikar	4,000	4,000	4,000	4,250	-	16.250
Charikar and Doshi	-	60,750	60,750	60,750	60,750	143.000
Doshi and Qundoz	10,000	23,000	23,000	23,000	-	79.000
Kunduz and Kiesel Kala	6.000	6.000	6.224	-	-	18.224
Mazar-i-Sharif and Clift	10.000	10.000	10.000	-	-	30.000
Dorah Soof	10.000	15.000	25.000	25.000	25.000	100.000
Eastern Province						
Kabul and Jalal Abad	16.000	16.000	16.000	16.344	16.344	80.688
Jalal Abad and Torkham	7.418	7.418	7.418	7.418	7.418	37.390

Western Province						
Kabul and Ghazni	4.950	7.950	8.950	8.950	8.950	39.750
Ghazni and Mokur	-	5,550	5.550	5.550	5.550	22.200
Mokur and Kalat	-	-	5.850	5.850	5.850	17.550
Kalat and Kandahar	-	-	-	6.900	6.900	13.800
Kandahar and Spin-boldak	5.000	5.000	-	-	-	10.000
GENERAL TOTAL	73.428	160.728	172.802	164.672	136.822	707.852
Asphalt						
Kabul - Charikar	-	5.442	5.443	5.442	5.443	21.770
Doshi and Kiesel-Kala	-	-	15.309	15.309	15.309	45.927
Kabul and Tange-Charoo	-	6.804	-	-	-	6.804
Torkham and Sar-Kondo Baba	-	11.00	11.00	11.113	11.113	44.226
Kandahar and Spinboldak	17.665	17.665	-	-	-	35.330
Kabul and Kandahar	-	35.720	35.720	35.720	35.720	142.880
TOTAL OF PREVIOUS PAGE	73.428	160.728	172.802	164.072	136.822	707.852
TOTAL	91.093	237.359	240.274	231.656	204.407	1004.789
Workshop	32.906	52.650	19.743	13.162	13.162	131.623
TOTAL	123.999	290.009	260.017	244.818	217.569	1136.412

Communication. Airports. and Harbors	1335	1336	1337	1338	1339	Total
Airports	92.5	43.53	40.52	40.52	50.52	267.590
Meteorology	8.746	8.371	10.871	11.619	10.212	50.319
Qezel Qala	20.26	5.26	15.000	-	-	40.52
Communication	22.784	23.002	28.22	28.197	27.908	130.309
TOTAL	144.290	80.861	94.611	80.336	88.640	488.738
Section IV - Social Service						
Education	58.052	54.5	56.124	70.008	80.116	318.80
Public Health	16.457	18.20	17.936	20.808	30.366	92.970
Municipality, Community,	15.00	15.00	15.00	15.00	15.00	75.00
Development	6.8	31.8	35.8	39.8	51.8	166.00
TOTAL	96.309	119.50	124.863	144.816	167.282	652.770
Section V						
Mining	25.239	54.30	54.30	54.30	54.30	242.439
Miscellaneous	6.919	.413	10.281	146.757	.974	165.352
GRAND TOTAL	1,779.495	1970.279	2070.292	2162.525	2079.321	10061.912

	1335	1336	1337	1338	1339	Total
Totals for Section I	966.040	971.630	1.046.430	1.012.820	1084.950	5081.870
Totals for Section II	416.699	453.566	479.790	478.678	465.601	2294.334
Totals for Section III						
Part a	123.999	290.009	260.017	244.818	217.569	488.738
Part b	144.290	80.861	94.611	80.336	88.640	488.738
Totals for Section IV	96.309	119.500	124.863	144.816	167.282	652,770
	1.772.576	1969.866	2.060.011	2.015.768	2.078.342	9.896.562
Miscellaneous	6.919	.413	10.281	146.757	.979	165.352
GRAND TOTAL	1.779.495	1970.279	2.070.292	2.162.525	2.079.321	10.061.912

PERCENTAGE OF GENERAL EXPENSES
(1335 - 1339)

Government Ordinary Budget	50.51
Agriculture and Irrigation	22.80
Transportation and Communication	16.15
Social Services	6.49
Mining	2.41
Miscellaneous	1.64
	100.00

Table of Incomes 1335 - 1339 (in Million Afghanis)

TAXES AND TARIFFS	1335	1336	1337	1338	1339	Total
1. Tax on Income	142.	146.	147.	156.	165.	756.
2. Custom Duties and Tax on Luxury Items	515.2	535.	559.	575.	601.	2.785.2
3. Tax on Land	28.	29.	32.	32.	33.	154.
4. Tax on Animals	40.	41.	43.	45.	50.	219.
5. Legal Documents	28.	29.	30.	31.	32.	150.
6. Sugar	40.	55.	55.	55.	25.	230.
7. Gasoline and Kerosene	10.26	6.	8.	9.	11.	44.26
8. Auto Tax (Passenger Automobile)	1.	1.	1.4	1.6	1.8	7.
9. Salt	12.04	16.	17.	17.	10.	72.04
10. Cotton Materials	10.	10.5	16.	22.5	30.	89.
11. Honey	45.	60.	74.	41.5	20.	240.5
TOTAL	871.5	928.7	982.4	985.6	978.8	4.747.

	1335	1336	1337	1338	1339	Total
Government operated businesses						
1. Monopolies	40.	98.5	120.	141.	164.	563.5
2. Cooperative Depot	50.95	65.	80.	95.	107.	397.95
3. All Others	24.545	17.5	18.	19.	20.	99.045
TOTAL	115.495	181.	218.	255.6	291.	1.060.495
PRIVATE MONOPOLIES						
1. Mouth Snuff	3.5	3.5	4.	4.	4.5	19.5
2. Nose Snuff, Cigarettes, and Confectionaries	1.295	.6	.7	.8	.9	4.295
3. Motor Vehicles	28.005	38.	43.	51.	55.	215.005
4. Intestines	.8	.5	.5	.5	.5	2.8
5. P.T.T. Tax	12.	11.	12.5	13.	15.	63.5
TOTAL	45.6	53.6	60.7	69.3	75.9	305.1
Fixed Property	6.965	8.5	9.	10.	11.	45.465
Moveable Property	1.918	3.5	4.	4.5	5.	18.918
TOTAL	8.883	12.0	13.0	14.5	16.0	64.383
Interest on Loans and on Stocks	28.9	62.	77.	98.	113.	378.9
Various Revenues	25.83	37.	38.	39.	40.	179.83
Miscellaneous	179.892	176.	160.	150.	145.	810.892
TOTAL	234.612	275.	275.	287.	298.	1.369.622
Grand Total of all Sections	1276.1	1450.3	1549.1	1611.4	1659.7	7.546.6
Foreign Aid and Loans	503.395	519.979	521.192	551.125	419.621	2.515.312
	1.779.495	1970.279	2070.292	2162.525	2079.321	10061.912

FOREIGN EXCHANGE EXPENDITURES 1 335 - 1339 (In Million Afghanis)

	1335	1336	1337	1338	1339	Total
Section I - Government						
Ordinary Budget	5.4	6.	6.5	7.	7.5	32.5
Contingency Fund	3.	2.5	3.	3.	2.	13.5
TOTAL	8.5	8.5	9.5	10.	9.5	46.
Section II - Agricultural and Irrigation	1335	1336	1337	1338	1339	Total
Jalalabad	.04	1.562	1.209	1.171	.818	4.8
Kokcha	2.371	3.	3.	1.	.629	10.
Machalgho	. 04	.04	.273	.173	.274	.8
Helmand Valley	7.79	3.65	3.82	3.82	3.82	22.9
Paltoo Dam	-	.3	.3	.3	.3	1.2
Sardeh Dam	-	.333	.334	.333	-	1.
Kharwar Dam	-	.03	.15	.15	.15	.48
Qundou Dam	-	1.06	1.06	1.961	.159	4.24
TOTAL	10.241	9.975	10.146	8.905	6.15	45.42
Agricultural Development	.545	.391	.565	.563	.883	2.944
TOTAL	10.786	10.366	10.711	9.468	7.033	48.364
Section III - Transportation and Communication						
Eastern Province						
Kabul and Jajalabad	.3228	.3228	.3228	.3228	.3228	1.614
Asphalting in Kabul and Tungiljhoru	-	.235	-	-	-	.235
Jalalabad and Torkhum	.2493	.2494	.2493	-	-	.748
Asphalting in Surkund and Hada	-	.382	.382	.382	.382	1.528

Western Province						
Kabul and Ghazni	.1987	.1988	.1987	.1988	–	.795
Ghazni and Muqur	–	.1388	.1387	.1388	.1387	.555
Muqur and Kalat	–	–	.195	.195	.195	.585
Asphalting in Kabul and Kandahar	1.2352	1.2352	1.2352	1.2352	1.2352	6.716
Asphalting in Kandahar and Bouldak	.7225	.7225	–	–	–	1.445
TOTAL	2.7285	3.4845	2.7217	2.8576	2.6587	14.451
Northern Province						
Kabul and Charikar	.0812	.0812	.0812	.0812	–	.3248
Asphalting Kabul and Charikar	–	.191	.191	.191	.191	.764
Charikar and Dushi	–	2.1	2.1	2.1	2.1	8.4
Dushi and Kunduz	.4	.393	.394	.393	–	1.58
Asphalting Dushi and Quizil Qala	–	–	.883	.883	.883	2.649
Kunduz and Quizil Qala	.1213	.1214	.1312	–	–	.364
Mazar-u-Sharif and Kilift	.3	.3	.3	–	–	.9
Dorai Soof Highway	–	.72	.72	.72	.72	2.88
TOTAL	.9025	3.9066	4.7905	4.3682	3.894	17.8618
TOTAL FROM above	2.7285	3.4845	2.7217	2.8576	2.6578	14.451
TOTAL	3.631	7.391	7.512	7.226	6.553	32.3128
Equipment	1.625	2.6	.975	.65	.65	6.5
GRAND TOTAL	5.256	9.991	8.487	7.876	7.203	38.8128

TRANSPORTATION and Communication	1335	1336	1337	1338	1339	Total
Air Fields	3.25	1.25	2.	2.	2.	10.5
Communication	.759	.883	1.149	1.14	1.106	5.037
Meterology	.19	.2	.25	.26	.19	1.09
Kieselkala Port	1.1	.35	.65	-	-	2.1
TOTAL	5.299	2.683	4.049	3.4	3.296	18.727
TOTAL OF ROAD SECTION	5.256	9.991	8.487	7.876	7.203	38.813
GRAND TOTAL	10.555	12.674	12.536	11.276	10.499	57.540
Section IV - Social Services						
Health	.253	.251	.189	.21	.189	1.092
Education	.19	.506	.486	.53	.511	2.223
Kabul University	1.875	.681	1.616	2.146	1.291	7.609
TOTAL	2.318	1.438	2.291	2.886	1.991	10.924
Section V Mining						
Petroleum	.4	.4	.4	.4	.4	2.
Coal and other Mining Projects	.8	.8	.8	.8	.8	4.
TOTAL	1.2	1.2	1.2	1.2	1.2	6.0

TOTAL OF FOREIGN EXCHANGE REQUIREMENTS 1335 - 1339

	1335	1336	1337	1338	1339	Total
Total Government Ordinary Budget	8.5	8.5	9.5	10.	9.5	46.
Agriculture and Irrigation Total	10.786	10.366	10.711	9.468	7.033	48.364
Social Services Total	2.318	1.438	2.291	2.886	1.991	10.924
Transportation and Communication Total	10.555	12.674	12.536	11.276	10.499	57.542
Mining Total	1.20	1.20	1.20	1.20	1.20	6.
TOTAL	33.359	34.178	36.238	34.850	30.223	168.828
Total Government Ordinary Budget Deducted	8.5	8.5	9.5	10.	9.5	46.
BALANCE .,.........	24.859	25.678	26.738	24.830	20.723	122.828

FOREIGN EXCHANGE REQUIREMENTS 1335 - 1339 (In Million Dollars)

	1335	1336	1337	1338	1339	Total
GOVERNMENTS						
Ordinary Budget	5.5	6.	6.5	7.	7.5	32.5
Government's Reserve for Contingencies	3.	2.5	3.	3.	2.	13.5

	1335	1336	1337	1338	1339	Total
Payment of Interest to Ex-Im Bank	2.46	3.86	4.27	4.66	4.53	19.78
Payment of Interest to Russia	.86	.78	.673	.742	.721	3.776
Repayment of Loan to Kabul Municipality	.483	.74	.458	.445	.433	2.559
Monopolies	13.	15.	21.	25.	28.	102.
Cooperative Depot.........	7.	7.	8.	8.	8.	38.
TOTAL	32.303	35.88	43.901	48.847	51.184	212.115
Aryana Company	1.	1.5	.4	2.	.4	5.3
TOTAL	33.303	37.38	44.301	50.847	51.584	217.415
Payment of Short-Term Loan and Miscellaneous	2.649	2.164	10.	20.651	23.306	58.77
TOTAL	35.952	39.544	54.301	71.498	74.890	276.185
Developmental						
Cottage Industry	16.207	16.981	14.231	5.857	5.305	58.621
Municipalities	.525	1.73	3.216	.84	1.	7.309
Total	16.73	18.711	17.487	6.697	6.305	65.93
Government's Developmental Projects	24.859	25.68	26.738	24.83	20.723	122.83
TOTAL OF SECOND SECTOR	41.589	44.391	44.225	31.527	27.028	188.76
TOTLA OF FIRST SECTOR	35.952	39.544	54.301	71.498	74.89	276.185
GRAND TOTAL	77.541	83.935	98.526	103.025	101.918	464.945

FOREIGN EXCHANGE RECEIPTS (In Million Dollars)

	1335	1336	1337	1338	1339	Total
Domestic Sources						
Wool	4.5	5.	5.	5.5	6.5	26.5
Cotton	14.	17.	22.	26.	25.	104.
Karakul	16.	17.5	21.	21.5	24.5	103.5
Opium	1.	1.	1.	1.	1.5	5.5
Sesame Seed and Linseed	.5	.5	.6	.6	.7	2.9
Carpets	-	2.5	2.5	3.5	3.5	12.
Sheep Skin	-	.6	.6	.7	1.	2.9
Intestine (Sheep)	-	.5	.5	.6	.7	2.3
Dry Fruits	-	-	10.	11.	12.	33.
Fresh Fruits	-	-	-	-	5.5	5.5
TOTAL	36.00	44.60	63.70	73.40	80.40	298.10
Short-Term-Foreign Loans						
For Municipalities	16.682	13.655	8.88	4.795	.795	44.015
Foreign Loans of Government for Developmental Projects ...	24.859	25.680	36.738	24.830	20.723	122.83
TOTAL OF FOREIGN LOANS	41.541	39.335	34.826	29.625	21.518	166.845
TOTAL OF FOREIGN EXCHANGE FROM DOMESTIC SOURCES ...	36.00	44.60	63.70	73.40	80.40	298.10
GRAND TOTAL	77.541	83.935	98.526	103.025	101.918	464.945

Allocation of Foreign Currency

And Domestic Money for Industrial Projects 1335 - 1339 (In Millions)

TITLE OF PROJECT

Electricity

	1335		1336		1337		1338		1339		Total	
	$	Afs.	$	Afs.	$	Afs.	$	Afs.	$	Afs.	$	Afs.
Sorobi	.832	8.37	.832	8.37	.832	8.37	-	-	-	-	2.496	25.11
Puli Khumri	.5	6.4	.5	6.4	.5	6.4	-	-	-	-	1.5	19.2
Naghlo	.5	5.	4.38	65.35	4.38	56.35	4.38	56.35	4.36	56.35	18.	230.4
Arghandab Dam	.84	.249	.84	.249	-	-	-	-	-	-	1.68	.498
Girishk	.575	7.36	.575	7.36	-	-	-	-	-	-	1.15	14.72
Cheshma Shafa.....	.5	6.4	.5	6.4	.5	6.4	.5	6.4	-	-	2.	25.6
Khanabad	.15	1.94	.15	1.94	-	-	-	-	-	-	.3	3.88
Lughman	.594	14.942	.594	14.942	.594	14.942	.594	-	.595	-	2.971	43.826
Maimana	.075	1.	.075	1.	-	-	-	-	-	-	.15	2.
Jurguluk Workshop	1.	12.	1.	12.	1.	12.	-	-	-	-	3.	36.
Herat Workshop ..	.1	1.28	.1	1.28	.1	1.28	-	-	-	-	.3	3.84
Puli Khumri ... Workshop ...	.1	1.28	.1	1.28	.1	1.28	-	-	-	-	.3	3.84
TOTAL	5.766	66.221	9.646	117.571	8.006	107.022	5.474	62.750	4.955	56.35	33.847	409.914

Other Projects	1335		1336		1337		1338		1339		Total	
	$	Afs.	$	Afs.	$	Afs.	$	Afs.	$	Afs.	$	Afs.
Expansion of Puli Khumri........	1.2	15.36	----	----	----	-----	----	-----	-----	-----	1.2	15.36
Gulbahar Textile	3.866	75.	3.866	75.	3.866	-	-	-	-	-	11.598	150.
Silk Mills	.15	1.94	1.5	1.94	-	-	-	-	-	-	.3	3.88
Jute Plant	.166	2.13	.166	2.13	.166	2.13	-	-	-	-	.498	6.39
Cement of Jabulusa-raj	2.	27.	-	-	-	-	-	-	-	-	2.	27.
Cement of Puli Khumri	.67	8.	.67	8.	.67	8.	-	-	-	-	2.01	24.
Soaps and Oil ..	5.566	7.	.566	7.	.566	7.	-	-	-	-	1.698	21.
Spirits ...	.33	4.	.34	4.	.23	4.	-	-	-	-	1.	12.
Kabul Tannery ...	.1	1.25	.1	1.25	-	-	-	-	-	-	.2	2.5
Fruit Preservers ..	1.	12.8	1.	12.8	-	-	-	-	-	-	2.	25.6
Kandahar Tannery	.1	1.	.2	2.	.1	1.	-	-	-	-	.4	4.
Briquette	.025	.3	.025	.3	-	-	-	-	-	-	.05	.6
Wool Plants of Kabul and Kanda-har	.25	3.	.25	3.	-	-	-	-	-	-	.05	6.
TOTAL	10.423	158.780	7.333	117.420	5.698	22.13	-	-	-	-	23.454	298.330

Other Projects	1335 %	1335 Afs.	1336 %	1336 Afs.	1337 %	1337 Afs.	1338 %	1338 Afs.	1339 %	1339 Afs.	Total %	Total Afs.
Porcelain Works of Qundoz	.05	1.5	----	------	-----	-----	-----	------	-----	-----	.05	1.5
Glass Works	-	-	-	-	-	-	.15	1.92	.15	1.92	.3	3.84
Caprail (Tile) Manufacturing ..	-	-	.033	.4	.034	.4	.033	.4	-	-	.1	1.2
Match Manufacturing	.125	1.6	.125	1.6	-	-	-	-	-	-	.25	3.2
Laboratory	.333	2.33	.334	2.34	.333	2.33	-	-	-	-	1.	7.
Carpentry and Lapidary	.15	1.8	.15	1.8	-	-	-	-	-	-	.3	3.6
Miscellaneous ..	.2	-	.2	-	.2	-	.2	-	.2	-	1.	-
TOTAL	.858	7.43	.842	6.14	.567	2.73	.383	2.32	.35	1.92	3.0	20.34
TOTAL PAGE 241	5.766	66.221	9.646	117.571	8.006	107.022	5.414	62.75	4.955	56.35	33.847	409.914
TOTAL PAGE 242	10.423	158.78	7.333	117.42	5.698	22.13	-	-	-	-	23.454	298.33
GRAND TOTAL	17.047	232.231	17.821	141.131	14.171	131.882	5.857	65.07	5.305	58.27	60.301	728.58
Deduct Expenses of Arghandab which has been included in HVA account	.84	.249	.84	.249	-	-	-	-	-	-	1.68	.498
GRAND TOTAL	16.207	231.982	16.981	240.882	14.271	131.882	5.857	65.07	5.305	58.27	58.621	728.086

NOTE: Due to an increase in cotton production in 1334 a one million dollar increase in export is predicted. This million dollars will be spent for expansion of cotton industry in 1335.